

FBI

DAILY REPORT

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FOREIGN MINISTRY SPOKESMAN HOLDS WEEKLY BRIEFING

Zhao To Visit Romania, SFRY

OW040800 Beijing XINHUA in English 0743 GMT 4 Jun 86

[Text] Beijing, June 4 (XINHUA) -- Zhao Ziyang, member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee and premier of the State Council, will pay an official goodwill visit to the Socialist Republic of Romania in early July, 1986.

A Foreign Ministry spokesman announced this at today's weekly news briefing. Zhao has been invited by Nicolae Ceausescu, general secretary of the Romanian Communist Party and president of the Socialist Republic of Romania, and Constantin Dascalescu, premier of the Romanian Government.

The spokesman also announced that Premier Zhao will also pay official visits to Yugoslavia, Greece, Spain, Turkey and Tunisia from July 6 to 26.

The visits are the invitation of Chairman Branko Mikulic of the Federal Executive Council of the Socialist Federal Republic of Yugoslavia, Prime Minister Andreas George Papandreu of the Hellenic Republic, Prime Minister Felipe Gonzales of the Government of Spain, Prime Minister Turgut Ozal of the Republic of Turkey and Prime Minister Mohamed Mzali of the Tunisian Republic.

Concern Over Taiwan Boat

OW040946 Beijing XINHUA in English 0941 GMT 4 Jun 86

[Text] Beijing, June 4 (XINHUA) -- China has expressed concern to Argentina over the sinking of a Taiwan fishing boat by an Argentinean patrol boat, a Chinese Foreign Ministry spokesman said at a weekly press briefing here today.

He noted that an Argentinean patrol boat recently sank a Chinese fishing boat from Taiwan, causing casualties.

The Chinese side has requested the Argentinean side to provide relevant information and give medical treatment to and take care of the crew members of the sunk boat, the spokesman said.

Boundary Talks with Bhutan

OW040802 Beijing XINHUA in English 0749 GMT 4 Jun 86

[Text] Beijing, June 4 (XINHUA) -- The Government of the People's Republic of China and the government of the Kingdom of Bhutan have agreed to hold the third round of Sino-Bhutanese boundary talks in Beijing from June 11 to 16.

Speaking at a weekly news briefing today, the Foreign Ministry spokesman said that chairman of the Chinese delegation will be Vice-Foreign Minister Liu Shuqing and chairman of the Bhutanese delegation Ambassador Extraordinary and Plenipotentiary Dr Tashi Tobgyel.

Philippines' Laurel To Visit

OW040806 Beijing XINHUA in English 0747 GMT 4 Jun 86

[Text] Beijing, June 4 (XINHUA) -- At the invitation of the Chinese Government, Salvador Laurel, vice-president and foreign minister of the Republic of the Philippines, will pay an official visit to China from June 15, 1986. A Foreign Ministry spokesman disclosed this at a weekly news briefing here this afternoon.

Peruvian Prime Minister To Visit

OW040808 Beijing XINHUA in English 0746 GMT 4 Jun 86

[Text] Beijing, June 4 (XINHUA) -- Chairman Luis Alva Castro of the Council of Ministers of the Republic of Peru will pay an official visit to China from June 12 at the invitation of Premier Zhao Ziyang. A Foreign Ministry spokesman made this announcement at a weekly news briefing here this afternoon.

SALT II FEUD FURTHER STRAINS U.S.-SOVIET RELATIONS

OW040020 Beijing XINHUA in English 0001 GMT 4 Jun 86

[Round-up: U.S. Policy Shift on Salt II Brings About New Quarrels (by Shi Lujia) -- XINHUA headline]

[Text] Washington, June 3 (XINHUA) -- A series of disputes between Moscow and Washington have strained U.S.-Soviet relations since the beginning of this year on issues relevant to nuclear disarmament. Now, a new quarrel over the Strategic Arms Limitation Treaty (SALT II) is fueling these disputes and overshadowing the prospect of a new Soviet-U.S. summit scheduled for later this year.

SALT II was signed by the late Soviet leader Leonid Brezhnev and former U.S. President Jimmy Carter in 1979 after eight years of hard negotiation. After the Soviets invaded Afghanistan in late 1979, the U.S. Senate refused to ratify the SALT II agreement.

President Ronald Reagan has been a vocal opponent to the treaty, calling it "fatally flawed" and an agreement that would do nothing good for the United States. However, because of pressure from domestic public opinion and U.S. allies and differences within the administration, Reagan declared the United States would not undercut this treaty as long as the Soviet Union abides by it.

Then on May 27, Reagan announced that since the Soviets frequently have violated the treaty, the United States would take the "nature and magnitude" of the Soviet threat as the starting point in its development of nuclear forces instead of following restrictions set up by SALT II. But, he said, the policy would not be put into effect for the time being and whether the U.S. would adhere to the treaty depends on Soviet behavior in the following months.

Some newspapers observed that the administration shifted its stand on SALT II because Washington wanted to apply pressure to the Soviets to get the arms control talks in Geneva moving off their sluggish pace. Other newspapers argued that Reagan's statement was only a move with which the administration would please the conservatives at home.

Secretary of State George Shultz termed the change as a "shift of gears" in U.S. arms policy.

Marking a strong response from Moscow, the Soviet official news agency TASS in a commentary May 28 charged the United States with harboring an attempt to "ensure unilateral military advantages."

Some Soviet officials declared that the Soviet Union should take necessary countermeasures to defend itself and its allies if the United States abandoned SALT II. They also threatened that holding the second Soviet-American summit was in jeopardy as long as Washington sticks to its current policy on the SALT II treaty.

Last weekend, Moscow warned in a sharply worded statement that the Soviet Union no longer would be bound by the two SALT treaties and would take necessary measures to prevent the strategic equilibrium from being damaged once Reagan puts his May 27 decision into effect.

Some American politicians and West European allies have expressed reservations about the shift in U.S. policy.

According to some people, including Robert McNamara, former U.S. defense secretary during the Vietnam war, to undermine SALT II would mean abandoning the arms control structure established by four U.S. presidents in the last 20 years. And, these experts said, it would spark a surge in the arms race. During a meeting of NATO foreign ministers that closed May 30, almost all the Western Europe representatives demanded Washington reconsider its SALT II stand.

Washington intended to force Moscow to make concessions in Geneva, some American newspapers wrote, but the policy change probably would offer a chance for Moscow to launch a new propaganda campaign -- accusing Washington of having no interest in arms control and making it more difficult for any progress at the Geneva talks.

U.S.-CANADIAN 'TRADE WAR' CLOUDS GATHERING

OWO40546 Beijing XINHUA in English 0532 GMT 4 Jun 86

[Roundup: U.S.-Canada Trade War Brewing (by Liu Zhiguang) -- XINHUA headline]

[Text] Washington, June 3 (XINHUA) -- The Canadian Government announced Monday that Canada will impose tariffs on U.S. books, magazines, computer parts and some other imports in retaliation for President Ronald Reagan's decision to place a 35-percent tariff on imported Canadian cedar products.

The Canadian action came despite a personal letter from Reagan over the weekend apologizing for the failure to inform Canadian officials of the U.S. tariff beforehand.

The Canadian move immediately drew criticism from U.S. trade representative Clayton Yeutter. "There is no justification for the response by the Government of Canada," he told a press conference in Boston.

Adding to tension over the cedar products tariffs dispute was a decision by the U.S. international trade commission Monday upholding a 40-percent tariff on Canadian tubular steel used in the U.S. oil industry.

Observers believe that a trade war between the United States and Canada is brewing.

The Reagan administration announced on May 22 that it would impose the tariffs for five years on cedar shakes and shingles from Canada to protect the ailing U.S. red-cedar industry, which has steadily lost markets in recent years to its Canadian counterpart.

The U.S. duties would start at 35 percent for the first 30 months, before going down to 20 percent and eventually to eight percent.

Canada is a major cedar exporter to the United States, with an export estimated at 182 million U.S. dollars annually. Canada's proportion of the American cedar products market had grown from 40 percent in 1978 to 73 percent in 1985. Canadian officials argued that the U.S. tariff would virtually wipe out the Canadian cedar industry and cost the jobs of about 4,000 Canadian workers.

Incidentally, Reagan's decision to impose the tariff came without warning on the same day when U.S. and Canadian representatives concluded their first round of negotiations on a trade agreement. This coincidence seemed to have taken Canadian officials by surprise.

"Actions like this make it extremely difficult for anyone, including Canadians, to be friends with the Americans from time to time," Prime Minister Brian Mulroney said the next day.

Under the decision, announced in the House of Commons Monday by Finance Minister Michael Wilson, the Canadian Government will apply a 10-percent tariff to certain American books, periodicals and other publications that have been allowed duty-free entry into Canada. It will also reintroduce a 3.9-percent duty on computer parts and 6-percent tariffs on semiconductor devices, which was abolished early this year at the request of the United States.

Canada is also to raise duties on a number of other products including tea, oatmeal, Christmas trees, diesel motor rail cars, and asphalt oil for paving.

The Canadian finance minister said the import duties will go into effect on June 6, the day when Americans begin collecting the new tariffs on Canadian red cedar shakes and shingles used in roof construction. "Our objective is to bring home to the United States the costs of protectionism," Wilson said. He described the Canadian action as "measured response" and warned that a trade war between Canada and the United States would serve no useful purpose.

The tariffs levied by the Canadian Government on U.S. products would raise about 58.4 million U.S. dollars while the U.S. tariff is estimated to collect 62.7 million dollars.

Canada and the United States are each other's largest trading partners, with annual trade exceeding 129 billion U.S. dollars. U.S. trade deficit with Canada, which runs at more than 20 billion U.S. dollars, is second only to that with Japan. Many Canadian industries are deeply concerned over the recent protectionist moves in the U.S. Congress as Canada's exports to the United States account for more than one-fifth of its gross national product.

GU MU MEETS U.S. ECONOMIC, LEGAL DELEGATION

OW021544 Beijing XINHUA in English 1452 GMT 2 Jun 86

[Text] Beijing, June 2 (XINHUA) -- China will firmly carry on with its economic reforms and implement the policy of opening to the outside world, and provide legal protection for foreign investors, State Councillor Gu Mu said here today.

During a meeting with a U.S. economic and legal delegation headed by Robert Strauss, he said that much progress has been achieved in Sino-American trade and economic relations over the past few years, but there were also obstacles on the way of advance, which require the common efforts of both governments and people to eliminate.

The state councillor gave a dinner in honor of the American guests after the meeting. The 71-member U.S. delegation are attending a four-day joint conference on trade, investment and legal aspects which opened here this morning.

U.S. SECRETARY OF STATE ON APARTHEID POLICY

OW031556 Beijing XINHUA in English 0655 3 Jun 86

[Text] Washington, June 2 (XINHUA) -- U.S. Secretary of State George Shultz today condemned South Africa's policy of racial discrimination and emphasized that "apartheid must go" and "must go soon."

He made the statement at the conference for American religious leaders on South Africa which was held at the State Department building today.

Shultz said the situation in South Africa is "a continuing tragedy". Apartheid "robs the blacks of South Africa of their fundamental human rights" and "threatens the security and economic prospects of an entire sub-continent," he said.

But he also noted that changes have recently occurred in the basic structure of apartheid in South Africa. Those "point logically and inexorably toward more fundamental change," he said.

Shultz defended the U.S. policy of "constructive engagement", saying it involved a two-pronged approach: persuasion and pressure. He again made it clear that the United States opposes imposing punitive economic sanctions against South Africa, on grounds that it will "inflict random, indiscriminate damage on the South African people and their economy." However, this argument has been rejected by South African Bishop Desmond Tutu who said last week that economic sanctions by the outside world is the "last non-violent option" to topple the apartheid system in South Africa.

Tutu also said that Western companies that do business in South Africa and claim that they are helping the black population can better help the blacks by leaving the country now and coming back "when we have a democratic and just dispensation in South Africa".

MAC MEETING FOCUSES ON SAFETY OF SECURITY ZONE

HK040828 Beijing RENMIN RIBAO in Chinese 30 May 86 p 6

[XINHUA report by reporters Li Tu and Gao Haorong: "Yi Tae-ho Stresses at Korean Military Armistice Commission Meeting the Need To Adopt Measures to Ensure the Safety of the Joint Security Zone"]

[Text] Panmunjom, 29 May (XINHUA) -- The 436th meeting of the Korean Military Armistice Commission held here today continued to discuss questions concerning measures to be adopted for relaxing the tense situation of the joint security zone of the Korean Military Armistice Commission and for ensuring safety there. The two sides did not reach an agreement on this.

Yi Tae-ho, senior member of the Korean-Chinese delegation to the Korean Military Armistice Commission, stressed at the meeting that the proposal on adopting measures for ensuring the safety of the joint security zone of the Korean Military Armistice Commission put forward by the Korean Military Armistice Commission put forward by the Korean-Chinese side on 3 January is "conducive to relaxing the tense situation, preventing shooting incidents from occurring again, reliably ensuring the security activities of members of the Korean Military Armistice Commission and the Neutral Countries Supervision Committee, and creating an atmosphere for North-South dialogue."

Yi Tae-ho stressed that the reduction of the number of security guards in the zone and the necessity of unarming these guards should be discussed first. He said that viewed from the present situation, the two sides need only a few security guards to maintain order in the joint security zone and to act as guides, and that if the security guards do not carry any weapons, shooting incidents similar to that which occurred in November 1984 can be avoided. Yi Tae-ho pointed out that only after measures for relaxing the tense situation have been adopted can these measures be affirmed and inspected.

The senior member of the U.S. side agreed at the meeting to dismantle the fortification positions in the joint security zone, to withdraw heavy and automatic weapons, and to reduce the number of security guards there. However, he held that a joint supervisory group which includes members of the Neutral Countries Supervision Committee should first be set up and that the "inspection system" should be implemented before these measures can be adopted.

Yi Tae-ho pointed out that this attitude of the U.S. side is actually an attempt to "continue to maintain the present situation in the joint security zone," and that it is "unwilling to adopt new and sound measures for ensuring the safety of the joint security zone."

DPRK, PRC EXCHANGE TREATY RATIFICATION DOCUMENTS

OW030940 Beijing XINHUA in English 0937 GMT 3 Jun 86

[Text] Pyongyang, June 3 (XINHUA) -- the Democratic People's Republic of Korea (DPRK) and China exchanged ratification instruments of a consular treaty here today. DPRK Vice-Foreign Minister Kang Sok-chu and Chinese ambassador to Korea Zong Kewen signed the instruments at the exchanging ceremony, which was attended by DPRK Vice-Premier and Foreign Minister Kim Yong-nam. The Sino-Korean consular treaty was signed on November 26 last year in Beijing.

QIAO SHI ATTENDS DPRK AMBASSADOR'S BANQUET

OW031412 Beijing XINHUA in English 1404 GMT 3 Jun 86

[Text] Beijing, June 3 (XINHUA) -- A banquet was held at the embassy of the Democratic People's Republic of Korea here tonight to mark the current visit by Korean Workers' Party Secretariat Secretary Hwang Chang-yop. The banquet, given by Korean Ambassador Sin In-ha, was attended by Qiao Shi, a member of the Political Bureau and Secretariat of the Chinese Communist Party Central Committee.

Both Hwang Chang-yop and Qiao Shi delivered speeches at the banquet. Hwang said his successful visit to China had left him with a deep impression. Wherever he visited, he felt China's construction policies were full of great vitality. He wished the Chinese people every success in their bid to achieve the four modernizations. Qiao Shi expressed the belief that Hwang's visit would further strengthen friendly relations between the parties of China and Korea. Hwang and his visiting party will return home tomorrow.

XINHUA NOTES KCNA REPORT ON SR-71 FLIGHT

OW310801 Beijing XINHUA in English 0611 GMT 31 May 86

[Text] Pyongyang, May 31 (XINHUA) -- The Democratic People's Republic of Korea (DPRK) accused the United States of having increased its aerial espionage in its airspace.

A report of the KOREAN CENTRAL NEWS AGENCY said that yesterday a U.S. "SR-71" high-speed, high-altitude reconnaissance plane infiltrated into the Korean airspace over the Kangryong peninsula on the west coast before flying on to the sky over the DPRK territorial waters east of Kosong. The United States has committed such aerial espionage 18 times this month, the report added.

This clearly indicates that the United States is further aggravating the situation on the Korean peninsula and stepping up its preparations for another war of aggression against the north side of Korea, the report noted.

U.S. BASE WORKERS IN SEOUL GO ON STRIKE

HK040213 Beijing RENMIN RIBAO in Chinese 1 Jun 86 p 6

["Special Dispatch" by reporters Liu Zhengxue and Feng Zhiyuan: "Korean Workers in U.S. Army Base in Seoul Go On Strike, Hold Demonstration"]

[Text] According to a report by Korea's NODONG SINMUN, as the South Korean young students' struggle against the "government" and the United States surged ahead, more than 18,000 South Korean workers in the U.S. military base and U.S. military institutions in Seoul also went on strike and held a demonstration on 29 May to protest against the U.S. military employers' unreasonable dismissal of some workers. During the demonstration, many workers exposed and condemned the U.S. employers' exploitation and discrimination. They demanded that their work be respected and their wages be raised.

On 30 May, some 30 South Korean workers attacked and occupied a branch of an American bank in Seoul. The workers broke into the office of the bank manager, smashed window panes, and hung anti-U.S. slogans. The workers also spread handbills which carried their declaration on the workers' struggle. These two rounds of struggle have greatly upset the United States and the South Korean authorities.

SINGAPORE DEPUTY PRIME MINISTER LEAVES FOR HOME

OW030948 Beijing XINHUA in English 0942 GMT 3 Jun 86

[Text] Shanghai, June 3 (XINHUA) -- Ong Teng Cheong, Singapore's second deputy prime minister, and his party wound up their 12-day visit to China, and left here today for home via Hong Kong. During their stay in China, they visited Shanghai, Shandong Province's Jinan City, Qufu and Taian counties, and Beijing.

Ong attended here the opening ceremony of the Shanghai branch of Singapore's commercial representative office in China June 2. He noted that the expansion of bilateral trade in recent years resulted mainly from the China's opening policy to the outside world and its subsequent economic growth. Bilateral cooperation has potentials, he said, hoping that both Singapore and China will be turned into major trading and tourist countries through concerted efforts of the two sides.

RADIO COMMENTATOR ON SRV TROOP WITHDRAWAL 'TRICK'

OW021351 Beijing in Vietnamese to Vietnam 1400 GMT 1 Jun 86

[Commentary by station commentator Ya Ming: "It Is Difficult for the Vietnamese Authorities To Fool Other People With Their Partial Troop Withdrawal This Year"]

[Text] In a recent statement, the Vietnamese authorities said they would pull out more troops from Cambodia. A high-ranking Thai general said: The so-called Vietnamese partial troop withdrawal is nothing but a troop rotation by openly pulling out troops from Cambodia and secretly sending in more reinforcements. In that way, their troop level remains unchanged.

That is a very correct remark, as experience has shown, for the Vietnamese authorities have, many times in the past, resorted to the trick of partial troop withdrawal from Cambodia. However, they were tricks, pure and simple.

This year's phased troop withdrawal by the Vietnamese authorities is again aimed at two objectives: One, they attempt to make people believe that their situation on the Cambodian battlefield has improved, and two, they scheme to make people believe in the flexibility of their aggressive stance. Nevertheless, developments in the situation on the Cambodian battlefield during the eighth dry season and Vietnam's irrational attitude toward Democratic Kampuchea's [DK] 8-point proposal have made it more difficult for them to attain their objectives.

The situation on the Cambodian battlefield is developing in favor of the DK forces. During the just-ended eighth dry season, DK forces carried out their guerrilla warfare extensively and deep in Cambodia's interior. They successively launched attacks on Phnom Penh, Battambang, and other big cities, scoring many armed exploits. Meanwhile, the Vietnamese troops spread themselves thin to cope with the attacks, and are thus unable to wage a large-scale dry-season offensive as they did in years past. Mutinies in the Heng Samrin army occurred repeatedly, a rare occurrence in the past. Faced with such a situation, how can Vietnam, which is experiencing troop shortages in Cambodia, stage a phased troop withdrawal?

The Vietnamese authorities try to use the so-called partial troop withdrawal to make people believe in their somewhat flexible aggressive stance, and believe that they have agreed to resolve the Cambodian issue politically. That is merely a futile attempt.

In March 1986, the Coalition Government of Democratic Kampuchea set forth an 8-point proposal for resolving the Cambodian issue politically, and devised a way for Vietnam to phase out its troops from Cambodia without losing face. The proposal says Vietnam can pull out its troops in two phases. After completing the first phase of troop withdrawal, Heng Samrin can participate in negotiations on the establishment of a quadripartite coalition government.

The 8-point proposal, which fully takes into account Vietnam's interests, is a sensible and rational one. But the Vietnamese authorities have irrationally rejected it. Lately, they have spread rumors that if the situation requires, their troops will continue to remain in Cambodia even after 1990.

From the above facts it is clear that the Vietnamese authorities have absolutely no goodwill at all to solve the Cambodian issue politically, that they stubbornly cling to their aggressive stance, and they have isolated themselves in the international arena. They attempt to refurbish their image with the so-called partial troop withdrawal. It is nothing but a futile attempt.

LIAOWANG ARTICLE VIEWS PHILIPPINE SITUATION

HK300315 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 21, 26 May 86 p 27

[Article by Wang Yongsun: "Political Situation in the Philippines Since Corazon Assumed Power"]

[Text] Corazon Aquino, the first female head of government in Philippine history, has been in office for 3 months now. Whether this woman president, considered inexperienced in government affairs, can control the situation, and whether her government can endure -- these are the questions of common concern for people both at home and abroad.

Upon assuming office, Mrs C. Aquino was confronted by a considerably grim situation. The previous regime had left the country in total shambles: turbulent political situation, economic recession, intense social conflicts. Marcos ruled the Philippines for 20 years, and although he has been forced to flee, he still has considerable influence in the country. In particular, his supporters are still quite powerful at the local level. Under such a complicated condition, the new government has rather soberly realized that it is necessary to achieve political stability first before it can talk of economic recovery and development. Hence, Aquino adopted a series of political and economic measures: release of political prisoners and repeal of all autocratic decrees in order to attain national reconciliation and restore peace and order; reorganization of the old administration and reshuffling of civilian officials from the national to the local level; issuance of a temporary constitution and abolition of the National Assembly controlled by the old ruling party, reorganization of the military and police hierarchy to rid of the power and influence of Marcos and his cronies (otherwise known as crony capitalists); a freeze and sequestration of properties owned by Marcos and his "crony capitalists" at home and abroad; cancellation of the bureaucracy's capital monopoly of some important economic departments in the Philippines. President Aquino emphasized that the new government encourages the private enterprises to play its role in economic development and assured that the government would not carry out administrative intervention. She repeatedly indicated that the fundamental objective of the new government's economic policy is "to alleviate mass poverty, create employment opportunities, and equitably distribute the country's wealth." She also announced some measures to reduce the people's burden.

On foreign relations, the new government reiterated that it would strengthen friendly relations with Asian developing countries especially its neighboring states. It would maintain and develop relations with the United States and Japan. It would carry on its military alliance with the United States, but it would also pursue a truly independent foreign policy, giving priority to developing relations with ASEAN and playing a positive role within ASEAN. It would also further strengthen and develop the traditional friendly relations between the Philippines and China.

After coming to power, the new government launched vigorous diplomatic activities and positively sought international support. Up to now, leaders and other high officials from more than 10 countries have successively visited the Philippines. Recently, U.S. President Reagan met with the Philippines Vice President and Foreign Minister Laurel in Indonesia and indicated that the United States supports the new Philippine Government, does not recognize Marcos as president and would increase its aid to the Philippines. Many other countries and some international financial institutions have also provided or expressed willingness to provide financial assistance.

The comparatively sensible policies adopted by President Aquino have won the support of majority of her countrymen. In a public opinion poll held not long ago, 70 percent of the respondents believed that the new policies are good. In the last 3 months, the change of government has not led to turmoil in the Philippines. The economy is beginning to stabilize with the Philippine peso exchange rate remaining firm with slight increase. Prices of basic commodities like gasoline and food have declined. The stock market, which came close to suspension several times, is now bouncing back to life. Foreign investments have increased slightly. The Philippine situation is making a favorable turn and the people feel more reassured.

Nonetheless, President Aquino continues to be confronted by numerous problems and serious challenges.

First of all, unwilling to concede their defeat, Marcos and his "capitalist cronies" are resorting to all kinds of tricks to create disturbances and to attempt to destabilize the new government. Marcos' running mate Tolentino has repeatedly claimed that he and Marcos are still the "legitimate president and vice president" and that he intends to take his oath of office as vice president. Meanwhile, in spite of the abolition of the National Assembly by President Aquino, former ruling party assemblymen were convened by the former assembly speaker and held a "rump session" where they attacked Aquino and the new government. Former local officials all over the country refused to give up power and not a few even gathered forces in preparation for a showdown with the new administration. Particularly noteworthy is that, in late April, Marcos supporters staged successive anti-government demonstrations, creating disturbances and causing death and injuries. Abroad, Marcos had frequent contacts with his supporters in the country and agitated them to carry out anti-government activities. It is not difficult to see that forces supporting Marcos remain a major threat to the Aquino government.

Secondly, it is not an easy job to revitalize an economy which is at the brink of bankruptcy. In recent years, the Philippine treasury has been emptied and its foreign debts have reached \$26.9 billion. The economy registered a negative growth rate in the last 2 years. Industrial and agricultural production have basically stopped. The unemployed numbered more than 2.6 million and the underemployed, some 10 million. The people's life is extremely difficult. Thus, when one is poor, one aspires for change.

This is one of the fundamental reasons the Filipino people supported Corazon Aquino to succeed Marcos as president. They urgently hope that the new government could revive the economy and improve their lives.

The problem that the new government faces is that it has no money. In the first quarter of 1986, the financial deficits already amounted to almost 10 billion pesos (about 500 million dollars). The new government had no choice but to cut down on expenditures, raise tax revenues and seek foreign investments and aid. Owing to the fact that the new government still has to announce many of its economic policies, as well as the increase in strikes and disturbances, many of the country's businessmen are not willing to put up more capital and expand production, while foreign investors are also observing the situation. Hence, up to now, the new government still has to acquire huge capital.

Third, the partisan disputes within the government have yet to be resolved. The new government is basically composed of three groups, namely, the PDP-LABAN [Partido Demokratiko ng Pilipinas -- Lakas ng Bayan -- Philippine -- Lakas ng Bayan -- Philippine Democratic Party-Nations' Strength] which supports Aquino, Laurel's United Nationalist Democratic Organizations and the military. They have differences on questions such as the appointment of local officials, the legal status of the government and ceasefire negotiations with the Communist Party of the Philippines.

The conflicts have been relieved following talks and the military leaders repeatedly emphasized that the army will obey the leadership of President Aquino. However, whether the groups could truly unite and cooperate for the sake of the country's overall interest could be decisive to the consolidation of the new regime.

Observers here believe that the further consolidation and development of the new government will still have to go through an arduous road. As long as it can adopt rational policies in accordance with the realistic conditions in the Philippines and the factions within the government strengthen unity, and proper and vigorous policies are taken against the antigovernment forces, then the present difficulties could be overcome and the situation could be further stabilized.

GDR'S HONECKER, STOPH MEET WU XUEQIAN IN BERLIN

OW032138 Beijing XINHUA Domestic Service in Chinese 0733 GMT 3 Jun 86

[By reporter Xing Guimin]

[Text] Berlin, 2 Jun (XINHUA) -- Honecker, general secretary of the Central Committee of the Socialist Unity Party of Germany and chairman of the Council of State of the German Democratic Republic; and Stoph, GDR Council of Ministers chairman, today separately met with Wu Xueqian, member of the Political Bureau of the CPC Central Committee, state councillor, and minister of foreign affairs of China.

In a cordial and friendly atmosphere, Honecker and Wu Xueqian recalled their first meeting in the early 1950's. They were particularly pleased to meet again in Berlin after more than 30 years. In 1950, Wu Xueqian, as a member of a Chinese youth delegation, made a trip here and got acquainted with Honecker who was in charge of youth work at the time.

Wu Xueqian conveyed to Honecker the best wishes of General Secretary Hu Yaobang and President Li Xiannian. Honecker expressed his thanks and asked Wu Xueqian to convey his cordial regards to Hu Yaobang and Li Xiannian. Then, Wu Xueqian presented a gift to Honecker from General Secretary Hu Yaobang, a newly published "Pictorial Biography of Engels" autographed by Hu.

During their conversation, both Wu Xueqian and Honecker said they were pleased and satisfied with the positive development of bilateral relations over the past few years. They held that the further expansion of bilateral relations is in the interests of both countries' socialist construction and of world peace.

Stoph and Wu Xueqian had a cordial and friendly conversation. Stoph expressed his satisfaction with the development of relations between the two countries. He hoped that friendly cooperation between the two countries in all fields will be further strengthened in the future.

Wu Xueqian said that the Chinese Government attaches great importance to developing its relations with the German Democratic Republic and is pleased and satisfied with the achievements already made in this respect. He said that both sides should make further efforts to tap the potential of cooperation in all fields.

During the conversation, Wu Xueqian conveyed Premier Zhao Ziyang's regards to Chairman Stoph. Stoph also asked Wu Xueqian to convey his regards to Zhao Ziyang.

GDR foreign minister Fischer, Chinese Ambassador to the GDR Ma Xusheng, and GDR Ambassador to China Berthold were present at both meetings.

Wu Xueqian wound up his 4-day visit to the GDR this afternoon, and left for Budapest. Before his departure, he told the reporters that he was satisfied with the results of the visit, and that his two talks with Foreign Minister Fischer on the international situation and bilateral relations were fruitful. He said that he visited Berlin some 30 years ago, and he was deeply impressed with the great changes that have taken place in all fields of the GDR over the past 3 decades and more. He wished the GDR people greater achievements in socialist construction under the leadership of the Socialist Unity Party and the GDR Government.

WU XUEQIAN ARRIVES IN BUDAPEST; MEETS VARKONYI

OW031937 Beijing XINHUA in English 1929 GMT 3 Jun 86

[Text] Budapest, June 3 (XINHUA) -- Chinese Foreign Minister Wu Xueqian and his Hungarian counter-part Peter Varkonyi today discussed their common concerns about international problems and bilateral relations.

Wu said China now needs a long-term peaceful period to carry out China's socialist modern construction. And, he emphasized, one of the nation's basic policies is to maintain world peace. Varkonyi pointed out that Hungary also strives for world peace and wants to create favorable conditions for the socialist construction.

Both leaders praised the development of Sino-Hungary relations over the years, pointing to the increasing exchanges between the countries in the areas of politics, economy, science and technology and culture, and the heightening level at which these interchanges were made. Both sides expressed the desire to work toward strengthening these ties.

China's Ambassador Zhu Ankang also attended the talks.

Wu, also a state counsellor, arrived in Budapest yesterday evening. The song and dance ensemble of the Communist Youth League, which had toured China in 1958 and 1964, entertained him to an impressive repertoire to his great delight on the same evening.

Signs Consular Treaty 3 Jun

OW031752 Beijing XINHUA in English 1737 GMT 3 Jun 86

[Text] Budapest, June 3 (XINHUA) -- China and Hungary concluded their first consular treaty this afternoon.

The document was signed by Chinese State Councillor and Foreign Minister Wu Xueqian and Hungarian Foreign Minister Peter Varkonyi.

The two foreign ministers in their ensuing speeches shared the view that the treaty will contribute to the development of bilateral relations in the areas of politics, science, technology and culture.

Speaks at Hungarian Banquet

OW040120 Beijing XINHUA in English 0043 GMT 4 Jun 86

[Text] Budapest, June 3 (XINHUA) -- China and Hungary share the common desire of building socialism in a peaceful international environment, visiting Chinese Foreign Minister Wu Xueqian said today.

Speaking at a dinner given in his honor by his Hungarian counterpart Peter Varkonyi, Wu said both China and Hungary are engaged in socialist construction in the context of their specific domestic conditions and need a long, stable and peaceful international environment. This is the major common ground the two countries share, he said.

The Chinese foreign minister is here on the last leg of a nine-nation European tour that took him to seven West European countries and Democratic Germany.

The development of Chinese-Hungarian relations, Wu said, is in the interests of their peoples and world peace. The friendly ties and cooperation between the two countries will continue to expand through joint efforts, he said.

Varkonyi in his toast said Hungary, too, wants peace for its socialist construction and expressed the hope that bilateral relations between the two countries would expand.

LU DONG, ECONOMIC DELEGATION END VISIT TO BULGARIA

OW011024 Beijing XINHUA in English 1016 GMT 1 Jun 86

[Text] Sofia, June 1 (XINHUA) -- The Chinese economic delegation ended its visit to Bulgaria and left for Berlin today after exchanging views with Bulgarian leaders on economic development and experiences in socialist construction, especially in industry and management. During the week-long visit, the delegation led by Lu Dong, Chinese minister in charge of State Economic Commission, visited factories and enterprises in Sofia and other parts of the country. Lu met separately with the Hungarian Chairman of the Council of Ministers Georgi Atanasov, First Vice-Chairman Stoyan Markov, Vice Chairman Andrey Lukanov and the Minister of Trade Khristo Khristov.

Ognyan Doynov, chairman of Bulgaria's economic committee, has accepted the Chinese delegation's invitation for a visit to China at a convenient time.

ROMANIAN PRESIDENT CONFERS WITH MA WENRUI

OW040158 Beijing XINHUA in English 0054 GMT 4 Jun 86

[Text] Bucharest, June 3 (XINHUA) -- Romanian President Nicolae Ceausescu today discussed Sino-Romanian relations during a meeting with Ma Wenrui, vice chairman of the Chinese People's Political Consultative Conference.

Ma praised the great achievements achieved by the Romanian people under the leadership of Ceausescu. Ma arrived here on a one-week trip on May 29. He has already held talks with Tamara Dobrin, executive chairman of the National Council of the Romanian Socialist Democracy and Unity Front. He also visited industrial and agricultural centers and tourist facilities in Bucharest and other countries.

ROMANIAN YOUTH DELEGATION LEAVES SHANGHAI 3 JUNE

OW031306 Beijing XINHUA in English 1134 GMT 3 Jun 86

[Text] Shanghai, June 3 (XINHUA) -- A Romanian youth delegation left here for home this afternoon at the end of a friendly visit to China. During its stay in Shanghai, the delegation visited the Baoshan steel works, the Hongqiao township and the Children's Palace of the China Welfare Institute. Yesterday evening, the Shanghai municipal committees of the Chinese Communist Youth League gave a farewell banquet for the Romanian delegation.

NAVY REPORTEDLY COMPLETES 'EXTENSIVE' EXERCISES

HK031124 Hong Kong AFP in English 1048 GMT 3 Jun 96

[Txt] Beijing, Jun 3 (AFP) -- The Chinese Navy completed one of its most extensive exercises yet in the Western Pacific last month using a fleet of six warships and several bombers, an international military source said here Tuesday. The maneuvers, which were carried out in the East China Sea and the Western Pacific near Iwo Jima Island, marked a major milestone China's longterm drive to develop a "blue-water" naval capacity, the source said. It was not known whether the ships and planes involved had conducted live firing, though mock air attacks were almost certainly involved. Submarines were also thought to have participated though this could not yet be confirmed, the source said. The six destroyers included a 3,250 ton Luda class destroyer based in Qingdao, an eastern Chinese port on the tip of the Shandong Peninsula, as well as several H-6 bombers, the source said. A spokesman for the Chinese Defense Ministry refused to confirm or deny the report, saying only "we don't know."

FOREIGN MINISTRY SPOKESMAN SAYS LI 'STILL RESTING'

HK040814 Hong Kong AFP in English 0732 GMT 4 Jun 86

[Test] Beijing, Jun 4 (AFP) -- Chinese President Li Xiannian, 80, hospitalized last month with what was officially described as a cold, is still resting, a Foreign Ministry spokesman said Wednesday. Spokesman Ma Yuzhen said that Mr Li had "recovered very quickly" from a cold that hospitalized him on May 19 and that his condition was now "very good," but that due to his advanced age he was still resting. It was not known whether Mr Li was still in hospital or not, Mr Ma said.

A former guerrilla commander and veteran of the communists 1934-1935 Long March, Mr Li is one of a handful of old revolutionaries occupying top positions in the Chinese leadership, though his role as head of state is entirely ceremonial, confined to meeting foreign visitors and making visits abroad. He was last seen in public on May 9, when he told Canadian Premier Brian Mulroney that "people like us are almost useless" in reference to the age of first generation communist leaders like himself and top leader Deng Xiaoping, 81.

LIAOWANG CITIES HU QILI ON LITERATURE, ART

HK040658 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 22, 2 Jun 86 pp 4-6

[Article by LIAOWANG Reporter Chen Maodi: "Create an Atmosphere of Democracy, Harmony, and Trust -- Hu Qili Has Heart-to-Heart Talks With Intellectuals in Shanghai"]

[Text] After seeing off Nikola Ijubovic, member of the Presidency of the Yugoslavian League of Communists, in Shanghai on 13 April, Hu Qili, member of the Political Bureau and of the Secretariat of the CPC Central Committee, started his new work schedule. He separately met and had heart-to-heart talks with city's intellectuals from the world of literature and art and from theoretical, educational, and scientific and technological circles. They had lively discussions on problems related to the building of socialist spiritual civilization, making socialist literary and artistic creation flourish, and promoting theoretical research. participants in the meetings spoke out freely in an atmosphere of unity and harmony.

Theoretical Workers Should Work as a Brain Trust

On the afternoon of 14 April, Hu Qili and Rui Xingwen, secretary of the Shanghai Municipal CPC Committee, had heart-to-heart talks around a table with some people in the social sciences in Shanghai.

Hu Qili said: "In the past, I very seldom discussed problems with comrades engaged in social sciences. Today I invite comrades to gather here for two purposes: First, I would like to listen attentively to your views and opinions on the research in the social sciences, your difficulties in work, and your demands for working conditions. Then we will see what we can do for you in various aspects so that you will be able to make more efforts toward the four modernizations and work as a brain trust for the party and government. Second, I hope all of you will propose problems and suggestions with regard to studies on academic theories. You may speak in all sincerity and frankness; there are no restrictions of any kind."

These opening remarks by Hu Qili immediately enlivened the atmosphere of the meeting. A participant said: At present, some people have a clear picture of the achievements made in economic construction through reform but they cannot make a proper appraisal of successes scored in the building of spiritual civilization.

Hu Qili said: It is necessary to conduct in-depth studies of building spiritual civilization. In publicizing spiritual civilization, we should not let people believe that we now stress the spiritual civilization simply because there have been some troubles with our economic structural reform. This is not true. Our economic restructuring has actually promoted unequalled prosperity and progress in the national situation. What is more is that it has put an end to the long-standing state of closing our country to international intercourse and has had an extremely great impact on traditional, ancient, and backward ideas. If we had not opened to the outside world and not developed the commodity economy, the mental outlook of the people would have not changed so greatly. If we all review changes in our ideology and mentality in the past few years, we will find that our knowledge, mentality, and method of thinking are quite different from what they were in the past. Such great changes have resulted from the growth of the productive forces and the development of the commodity economy. The development of economic and technological exchange with foreign countries and the development of the commodity economy have smashed the fetters of outworn concepts, helped people clearly see the gap between our country and other countries in the world in the economic and technological fields, broadened their horizons and way of thinking, aroused their fighting spirit, and filled them with enthusiasm for making progress.

Another participant at the meeting raised a question of common interest: How should we view negative factors emerging in the development of the commodity economy, and how should we view the relationship between unhealthy tendencies and reform and the opening up policy?

Hu Qili said: Since we developed the commodity economy and opened our country to the outside world, some negative factors have indeed emerged, such as corrosion by the corrupt ideology and lifestyle of the bourgeoisie and reaspearance of the remnants of feudal ideology. As long as equal attention is paid to building material wealth and to developing socialist culture and ethics, we can reduce negative things to the minimum. We should not come to the conclusion that "we have successfully built material wealth but we have failed to build socialist culture and ethics" only because of the emergence of some negative factors. People make endless comments about our party's work style, but we should make a concrete analysis of these comments.

In terms of major aspects, I think our party's work style is good and healthy at present. Since the 3d Plenary Session of the 11th CPC Central Committee, we have reestablished the ideological line of Marxism, and the party's three important styles of work (integrating theory with practice, forging close links with the masses, and practicing self-criticism) have been developed. Viewing the present situation from this angle, we think even the situation in the 1950's cannot compare with it. No doubt there are indeed some grave unhealthy tendencies such as abusing powers and becoming corrupt.

Where did these unhealthy tendencies come from? I think it is wrong to say that the appearance of these unhealthy tendencies has nothing to do with the policy of opening up to the outside world and invigorating the domestic economy, but I think it is just as wrong to say that the root of unhealthy tendencies lies in reform and the opening up policy. The appearance of unhealthy tendencies can be linked to reform and the opening up policy, but it is not an inevitable outcome. Some people hold that it is due to reform and the opening up policy and to the influence of capitalist ideas that cadres engage in trade and run enterprises. But some people do not agree with this viewpoint, because under the laws of developed capitalist countries, government officials are prohibited from engaging in trade. Whoever engages in trade will be regarded as being involved in scandal. If something should go wrong, they will have to leave office; some may also be jailed. Therefore, the fact that cadres engage in trade is a pernicious influence of semi-feudal and semi-colonial bureaucratic capitalism and is a special phenomenon under the insufficiently-developed commodity economy. Our conclusion should be that to prevent cadres of all ranks from abusing their powers and engaging in trade, we must further develop the commodity economy to create an environment of balanced competition and further improve our legal system.

Furthermore, with regard to the "network of relationships" bitterly hated by all people, some people say that this is due to the implementation of the policy of opening up to the outside world and invigorating the domestic economy. But Hu Qili holds that this is not in keeping with the facts. He said: First, this phenomenon existed long before the implementation of the policy of opening up to the outside world and invigorating the domestic economy; second, given a developed commodity economy in capitalist countries, kinship and clanship are not important and the relationship between people is an undisguised relationship of money. The "network of relationships" that exists in our society has precisely developed from the Chinese economic basis with a profound feudal influence and very underdeveloped productive forces. For this reason it is neither the reform nor the opening up policy that has brought about the "network of relationships." On the contrary, only by making further efforts to carry out reform and the opening up policy will it be possible to really smash the "network of relationships." Unhealthy tendencies are a social phenomenon. If we try to find their roots only from ideology, morality, and ethics, it is not sufficient. It is man's social being that determines his thought and economic basis determines the superstructure. These are the basic tenets of Marxism. Through developing socialist culture and ethics, we must prepare the public for developing the newborn productive forces and pave the way for establishing and improving a new economic system. Of course, much remains in fundamentally improving our party's style of work. We must first strengthen education and then strictly enforce law. We will take 2 years to concentrate on this work. If it is not enough, we will take 10 year. It is my belief that we will certainly achieve our goals.

When specialists in social sciences participating in the meeting spoke on their ideas and suggestions on how to develop the social sciences, Hu Qili listened attentively and made notes.

Then he said in all earnestness: We badly need theoretical guidance in further carrying out reform and the opening up policy and promoting the modernization program. Theoretical work should be geared to reform and the four modernizations.

It is hoped that all workers in the social sciences will attach importance to studying problems of immediate significance, particularly major theoretical and practical problems related to our social modernization and economic restructuring, and that they will solve major theoretical and practical problems facing us by applying the basic tenets of Marxism, work hard as a brain trust for the party and government, take an active part in work of making policies for reform, and develop the science of Marxism in the course of advance. At present, theoretical workers must be especially encouraged to make bold experiments. Leading comrades of our party at various levels should make efforts together with workers engaged in social sciences and comrades on ideological and cultural fronts to create an environment and atmosphere of democracy, harmony, mutual trust, and mutual understanding.

A Frank Exchange of Views With "Three Old Men"

On the afternoon of 15 April, a limousine stopped in front of the guesthouse where Hu Qili was staying. When three gray-haired old men got out of the car, Hu Qili immediately stepped forward to greet them. They shook hands warmly and exchanged greetings. Then Hu Qili took the arm of one of the three, and they moved into a sitting room together.

The three old men were Yu Ling [0060 0134], Huang Zuolin [7806 0146 5059], and Zhang Junxiang [1728 7436 4782], three well-known veterans in the world of literature and art and film circles. Hu Qili smiled broadly and said to them: "Upon my arrival in Shanghai, I said that I wanted to call on you three. Because of my pressing schedule, I have had to invite you to come here. Today I would like to lend an attentive ear to your views on the current situation in literary and artistic creation."

Huang Zuolin said: "I have worked as a stage director for 50 years, and also worked as a film director for a time. Stage plays have slumped in the past few years. But like symphonic music, there has recently been an improvement."

Hu Qili asked: "Isn't this the first time in years that a Chinese festival of Shakespeare plays is being held in Beijing and Shanghai?"

Huang Zuolin said happily: "Such a grand occasion is seldom seen even in the world. The festival offers 25 performances in Beijing and Shanghai simultaneously."

Hu Qili said: "Will the festival greatly influence the world?"

The three old artists nodded.

Then Hu Qili asked again: "Do those who engage in literary and artistic creation still have misgivings? Since the 3d Plenary Session of the 11th CPC Central Committee we have not stuck political labels on any writers and artists, nor have we resorted to big sticks or launched any mass movements. So are you convinced of what we have said?"

The three old artists answered in the affirmative: "We are now convinced and do not have any misgivings about these things. However, some people are not quite sure of how to reflect present-day life, and a very few people even think that they are at a loss as to what to do."

Hu Qili said: "All comrades who participate in the creation of literature, film, or drama should know that the party's policy of literature and art is very clear to everybody. We adhere to the general orientation that literature and art should serve the people and socialism. Meanwhile, we also uphold the principle of creative freedom and allow writers and artists to reflect life according to the law of art. In recent years we have done what we said. This is quite obvious to everybody. Of course, some people still have misgivings and are afraid of changes. This is understandable. However, there is one way that we can match our deeds to our words: We will not launch any mass movements, resort to big sticks, stick political labels on people, nor make people the targets of criticism or attack. Questions of right and wrong in literary and artistic creation should not be settled through administrative decrees or measures. There may be some criticism of new works of literature and art, but this is normal discussion, helping improve literary and artistic creation and enliven ideas guiding creation in literature and art. There should be no big sticks or even knives in such discussion. I make this point clear now and hope that all of you will set your minds at rest. In literary and artistic creation and theoretical studies, there must be an environment of democracy, harmony, and friendly terms as well as an atmosphere of mutual understanding, mutual trust, mutual support, an working with one idea and one will.

On hearing that some people advocate making a few commercial films and entertainment films, Hu Qili said that we can make some, but we must still have some monumental works. China should have such works. He said: China should have epic films. There are many great things about which China can feel proud. They can be reflected in monumental films. When people see such films, their national spirit should be aroused. We have relied on our own efforts in developing atomic bombs, hydrogen bombs, and carrier rockets and in building large projects such as the Gezhou Dam. These are all great things! Our writers and artists must delve deep into the realities of life. In the future, whenever large projects are under construction, we will invite our writers and artists to the worksite so that they can fully reflect the heroic deeds and mental attitude of the workers there and so that people can realize that the Chinese nation is a great nation.

Yu Ling said: "When such films are made, they will be more valuable than commercial and amusement films!"

Hu Qili said: "You are right. It is no good if we do not have the national spirit and the spirit of the times. The 'Great Cultural Revolution' has really left us some wounds. However, if we only just write about the wounds, we will be unable to meet the demands of our times. We must guide people to look ahead, to work hard, and to advance."

Artists Must Have the Whole World in View While Taking Root in Our Own Territory

On 16 April, Hu Qili invited some people in literature and art, film, and television circles to a 1-day forum. All the participants were attending the Shanghai Forum on Literature and Art Creation. They brought the opinions, demands, and appeals they had heard at the large forum to the small one, making the atmosphere more lively.

Dramatist Sha Yexin said something about recent positive trends in Shanghai's theatrical circles. He said: In the first half of last year, the Shanghai People's Art Troupe gave a total of 44 performances, but in the second half of the year, it gave more than 100 performances. It had large audiences. This year the situation is even better. There are two reasons for this: 1) the situation of economic reform and opening up is good; and 2) the party's policy on literature and art is more stable.

In recent years no one has become the target of criticism. The good policy on literature and art has brought a good situation in literature and art circles.

Aesthete Jiang Kongyang said: "Policies mapped out since the third plenary session enjoy popular support. We give wholehearted support to these policies and hope that they will be carried out continuously. This concerns the development of our socialist literature and art. Writers must have freedom of creation. They must have a high sense of responsibility as well. They must create well-planned and high-quality artistic work so as to educate and nurture the successors to the cause of the four modernizations."

Hu Qili said: What you have said is quite right. We hold the same view. Our party has been in power for 37 years. It has passed the age of 30, or the period of youth, and has become more mature after taking a tortuous path and summing up experiences. Comrade Yaobang often tells the comrades in the Central Secretariat that there are many experiences and lessons to sum up when we review the party's history. During the Yanan period, we criticized Wang Shiwei, and later criticized Hu Feng. During the "Cultural Revolution," we criticized the "three-household village." These experiences and lessons tell us that in the long run, all conclusions which were drawn by means of launching political movements, wielding big sticks, and turning ideological problems into political problems and then taking organizational measures to inflict punishment cannot hold water. In no case should ideological problems be solved through organizational measures. We must adhere to the policy of letting a hundred flowers blossom and a hundred schools of thought contend. We must convince people, guide people, and encourage people to speak out what is really on their minds, rather than always checking, investigating, attacking, and suppressing those who air different views, especially those who make sharp criticisms. This kind of abominable behavior should never be repeated. This is a profound historical lesson that the whole party should always bear in mind. Of course, we must continue to make normal literature and art comment, carry out normal academic discussions, and conduct criticism against erroneous trends, including bourgeois liberalism. But when doing so, we must convince people by reasoning and do more ideological work instead of launching political movements and attacking people from all sides.

Wu Yigong, director of the film "Old Story of the Southern Part of a City," said that at present there are two problems in film making: pursuing box office profits and being divorced from reality.

Hu Qili asked: "Why is it divorced from reality?"

Wu Yigong answered: "Because some comrades feel it is difficult to make realistic films or to get them passed."

Yu Benzhen, director of the film "Sunrise," said, "I am not afraid of being a director. The main problem is still the lack of good plots. I am interested in making films reflecting the reform and those having epic characteristics. All earnest and serious directors are disgusted with low-taste films."

After hearing what the participants said, Hu Qili said: We are now in a time of great transformation. The situation on all fronts is very good. This situation has entrusted our literature and art workers with a task of reflecting the current great transformation now occurring in China. For this reason, literature and art workers must study Marxism and, at the same time, must find out about the national situation and reality and gain an intimate understanding of the masses.

Film and television have become powerful instruments for the construction of spiritual civilization. They are an effective means for the minority to influence the majority. We must occupy this position with wholesome socialist works so as to enrich the people's cultural lives and encourage them to work hard and advance. We must strive to achieve the unity of politics and art.

Hu Qili said: Just like the growth of plants, which need soil, air, and nutrients, the growth of literature and art workers also needs suitable objective conditions. Our duty is to work as hard as possible to provide writers and artists with necessary conditions. The comrades in the Central Secretariat have all agreed that in the future, the opinions of the leading comrades on film and television works should be regarded as their own opinions, not final conclusions. It is better to let the masses judge, which is good, because they are the best judges.

At the forum with people from scientific, technological, and educational circles, after hearing the opinions and suggestions of the participants on reform in these fields, Hu Qili emphasized that in the construction of the four modernizations, talented people are the most precious. We must create conditions for the growth of young people. Young students always like to make use of every opportunity to express themselves, to show their talent, or to make certain contributions. This is good. Our attitude toward this should be: First, not to lavish praise on them; and second, to guide them so that they can fully display their wisdom and abilities. We must not regard university students as small children but must arouse their consciousness so that they can educate and manage themselves well. We must advocate "self-support, self-discipline, and self-improvement" among the students and encourage them to blaze new trails. Young students must strive to know more about reality and come into contact with the society. All intellectuals must do the same. While firmly grasping the implementation of the policy on intellectuals, we must once again encourage them to go deep into the realities of life, maintain close links with the masses, and gain a deeper understanding of the society. This is of great significance to the growth of intellectuals and to giving better play to their roles.

'DOUBLE HUNDRED' IMPACT ON HISTORY EVALUATED

HK031141 Beijing RENMIN RIBAO in Chinese 2 Jun 86 p 5

[Article by Li Kan: "The Rise and Decline of the Double Hundred Policy and the Growth and Withering of History Study" -- capitalized passages published in boldface]

[Text] Full of enthusiasm and joy, Chinese cultural and academic circles, including historiographic circles, and vast numbers of intellectuals 35 years ago hailed the announcement of the policy of "letting a hundred flowers blossom and a hundred schools of thought contend." They widely agreed that this decision showed the authorities' full confidence in Marxist theory and the superiority of the socialist system, signifying the emergence of a new situation in which science and culture would boom. Reviewing history since the spring and autumn and the warring states periods, we see no dynasty or government during the long eras of feudal society and semicolonial, semifeudal society dared to implement such a policy. In making the important decision to adopt the double hundred policy in the cultural field, the CPC took original steps in enriching Marxism, effectively bringing the enthusiasm and initiative of cultural and academic circles into play.

Soon after that, theoretical, literature, and historiographic circles, as well as on campus, performing stage, and movie screen, presented a flourishing scene and were full of vitality. The policy also had an impact on historiography as an important discipline of social sciences. Inspired by this policy, historians launched heated discussions on many issues concerning historiographic theories and historical truth. We can still feel the vitality of circles at that time if we review newspapers and magazines of the period.

History never follows a perfectly straight path. For various reasons, correct principles are often not properly implemented, or are even distorted and destroyed. In 1957, just 1 year after the double hundred policy was introduced, the "unusual spring" arrived, and the political situation changed abruptly. An expanded "antirightist" struggle turned aside all of a sudden the double hundred policy relating to cultural and academic fields. Some issues regarding ideological understanding and academic research were classified as political issues, while different opinions on academic theories were regarded as "anti-party and antisocialist" "rightist views." The two figurative terms "fragrant flowers" and "poisonous weeds" were cited as concepts to distinguish between the revolutionary and the reactionary in the political realm. In fact, the two concepts "fragrant flowers" and "poisonous weeds" seemed to be clearly defined in themselves, and it is very difficult to draw a demarcation line between them. Moreover, "fragrant flowers" and "poisonous weeds" were not identified and sorted out based on social practice and scientific analyses guided by the principle of seeking truth from facts, but rather on the "attitude" of certain authoritative figures in the political arena. As the "leftist" guiding ideology had been further emphasized and the erroneous theory of "taking class struggle as the key link" had been put forth, "a hundred schools of thought" were simply grouped into "two schools," namely, the proletarian and bourgeois schools. The slogan of "fostering proletarian ideology and eliminating bourgeois ideology" was later introduced in the ideological field. Then followed the desperately turbulent period of "Great Cultural Revolution," during which the action was further escalated to such a degree as to "exercise dictatorship over the bourgeoisie in the ideological field in an all-round way." As the "leftist" mistake developed to an extreme, the double hundred policy was fully destroyed and totally forsaken.

To be sure, history and reality are linked together as different stages of the process of development. However, according to common rules and the usual way of thinking, the objects and questions to be studied by historians are after all past events, many of which even happened centuries or several thousand years ago. All these past events can never intervene in or even have direct links with practical politics. A comprehensive and thorough study of the history of human society that results in a correct and scientific understanding can of course provide us with inspiration and a reference in observing our current situation, understanding our national conditions, and predicting the future. Generally speaking, however, the study of history cannot exercise direct influence on current policies, the national economy, or the people's livelihood. But the development of the situation is always unexpected. As the double hundred policy was destroyed, history study also fell into dire straits. Apart from all these common causes, there were also some special causes and practices that obstructed, interfered in, and undermined the implementation of the double hundred policy in the field of historiography.

FIRST, BEING ACCUSED OF "USING THE PAST TO DISPARAGE THE PRESENT" AND "DRAWING AN ANALOGY BETWEEN THE PAST AND THE PRESENT," SOME CRITIQUES ON HISTORICAL EVENTS AND HISTORICAL FIGURES WERE LINKED TO PRACTICAL POLITICS. AS A RESULT OF IRRELEVANT COMPARISON AND STRAINED INTERPRETATION, HISTORICAL PHENOMENA AND HISTORIOGRAPHIC CRITIQUES THAT ACTUALLY HAD NOTHING TO DO WITH PRACTICAL POLITICS WERE DENOUNCED AS ATTACKS "WITH ULTERIOR MOTIVES."

The most typical tragic case was the so-called criticism of the plays "Hai Rui Dismissed From Office" and "Hai Rui Scolds the Emperor" by Wu Han. It created a furor at the time. The slogan of "making the past serve the present" could have had positive significance if it was interpreted based on historical materialism and applied in a scientific manner, but it would result in wrong and unjust political verdicts if it was interpreted arbitrarily or for a pragmatic purpose, or even used as a tool to attack a rival. Out of goodwill and concern for the cause of the state and the people, some historians sincerely wish to serve socialism through the study of history. In order to draw lessons from history, they naturally had to comment on certain historical figures' merits and demerits as well as their just and evil characters. This was one of the historians' aims in launching discussion about a series of historiographic issues, such as the issues concerning the criteria for "honest and upright officials," the appraisal of historical figures, the "concession policy," the heritage of ancient virtues, and so on. Wu Han had displayed great enthusiasm and sincerity in those discussions. So Wu Han, who wrote the play "Hai Rui Dismissed From Office," became the first victim in the 10 years of internal disorder. And the "gang of four," who persecuted Wu Han to death by condemning him for "using the past to disparage the present," eventually further developed this very trick, with which they had charged other people, into "historisgraphy by innuendo." The evident example of such a practice was the so-called drive of "appraising legalism and criticizing Confucianism," a clumsy political farce.

"All those who use the past to disparage the present shall be executed, together with their relatives," was a method repeatedly used in frequent "literary inquisitions" in the history of feudal society of China. It is a dark and lamentable legacy from the long feudal autocratic system of China which should have been forsaken and buried. However, China has a too long feudal tradition, and some ideological influence remaining from the feudal society can hardly be wiped out at one stroke. On the other hand, some matters in the reality of life have similarities in ancient history; thus, it is easy to link them or draw analogies between them. Linkage between reality and history plus conjecture and subjective assertion usually will cause some people to be condemned for "using the past to disparage the present." The consequence is suffering on the part of historians and the decline of historiography.

As historiography is a science, it is inadvisable to "use the past to disparage the present" and to draw historical analogies in handling historical subject matter and the relations between the past and the present. In fact, these are not scientific methods and are of no use for elaboration of the objective laws of historical development. But, since we are implementing the double hundred policy, there is no need to ban such forms of criticism. Even if some people have cited historical facts to "satirize" the dark side of socialist society, this is nothing to be surprised about. Satire on the dark side of things and castigation of evildoers and evil deeds are a kind of useful criticism. We must have full confidence that all honest and upright historians who support the party and socialism will not calumniate their country and the people's cause in "using the past to disparage the present."

SECOND, WE SIMPLIFIED COMPLICATED AND DIVERSIFIED HISTORY AND CONDUCTED ABSOLUTE APPLICATION OF THE CLASS STRUGGLE VIEWPOINT AND THE CLASS ANALYSIS METHOD. History is formed by the practice in many spheres of human social life and by many factors of human social life. It is a unity of diversified elements and a merger of many factors. However, no matter how complicated historical phenomena are, there are still objective laws governing it, and there is still a development trend to follow. Concerning studying and analyzing complicated historical phenomena, Marx and Engels discovered a basic scientific viewpoint and method, that is, the method of historical and dialectical materialism.

In analyzing and understanding the history of a class society, the class struggle viewpoint and class analysis method are the most powerful theoretical weapons. However, if we understand it in terms of absolutes and in a one-sided manner, or if we regard it as a rigid formula and dogma, then this correct method would become erroneous. Like any other branch of science, historiography requires researchers to make great and arduous efforts to pursue truth honestly. However, for a fairly long time, people have had a simplistic understanding and conducted simplistic application of historical materialsim. In the years in which quotations from Mao Zedong were applicable to everything, the following passage was often cited: "Class struggle -- some classes triumph, other are eliminated. Such is history, such is the history of civilization for thousands of years. To interpret history from this viewpoint is historical materialism; standing in opposition to this viewpoint is historical idealism." True, this may after all be accepted as a pithy summary of the basic principle of historical materialsim, but if the contents of historical materialsim can be fully expounded on by this short passage of less than 100 characters, why is it necessary to study and understand historical materialism repeatedly? If the matter is really so simple, all research into the theory of historiography and all study and discussion of historical phenomena, events, and figures would be redundant. It would only be necessary to apply this quotation and a historical issue, however complicated, would be resolved immediately. Under a socialist system, under which classes have basically been eliminated, we adopted the method that is used to handle class struggle to deal with cultural and academic matters and to treat intellectuals. As a result, we abandoned the double hundred principle, hushed up our cultural and academic circles, and turned the oases in our historiography into deserts.

One consequence of the practice of simplification was inevitably the narrow scope of historical research and the little variation of research topics. We "regarded class struggle as the key link" in studying all history, ancient or modern. As a result, class struggle became a branch of science applicable to everything. For a long time, there were only a few topics of study and research known to everybody in both the syllabus of history in our higher education institutions and the research tasks for our research institutes. These topics were repeated time and again for many years. Some people even held that it was only necessary to teach the history of peasants' wars in teaching courses of ancient history and history of anti-imperialist struggle in teaching courses of modern history. We taught and conducted research into little or nothing about the branches and topics of history that we should have taught and made research into, such as social history, cultural history, ethnic history, religious history, city history, communications history, education history, military history, history of legal system, and history of marriage.

Another consequence of the practice of simplification was inevitably academic self-isolation. Since we thought that all history, ancient or modern and Chinese or foreign, was nothing but a history of class struggle alone, we believed that all the diversified historical figures were either good or bad people and either positive or negative people and that all foreign historiographic schools, theories, or works were bourgeois in nature that were not worth paying any attention to or were something that we could thoroughly refute at a single stroke by wielding the weapon of class struggle. As a matter of fact, how can there be such a simple history or such a simple branch of science? Simplifying complicated history, treating scientific historical materialism as dogmas, and closing the Marxist historiographical system, which was originally open, hindered the training and growth of a generation of historians as well as gave rise to depression and poverty of history. Even now, this heavy evil consequence is shown in many spheres and is hindering the development of our historiography.

THIRD, THERE WERE TOO MANY TABOOS AND FORBIDDEN ZONES DIFFICULT TO BREAK. Free discussion and brave exploration should be allowed for all sciences, including historiography. There is no need for and should not be any taboo or "forbidden zone." There has never been any person who said that research into certain historical topics was not allowed, even less has there been any clear order to ban such research. However, there were so many campaigns of criticism and a political atmosphere in which the practice of branding people with labels, wielding the big stick, and seizing people's mistakes ran rampant. One would violate taboos and be condemned both in speech and writing if one talked a little about Wu Xun, the "Secret History of the Qing Dynasty," Li Xioucheng, or Hai Rui. Who dared to touch those "hot" topics? One might often violate taboos even in talking about ancient history, but in 1958, people were suddenly called to "stress the present, not the past" in academic research. This slogan was very unclear for historical research and was therefore very difficult to implement. Even if it was not so, how could we "stress" research related to the "present" at that time? Normally, we should allow academic research into and discussion of many major historical topics that are related to current politics and policies or related to relatively recent politics and policies as long as no party or state secret is touched by the research or discussion and as long as no domestic or diplomatic policy is violated. This is not only necessary for heightening the level of our historical research and the academic value of our historiography and improving its social functions, but also facilitates widening historians' field of vision and enables them to understand state affairs. However, there were in fact some invisible "forbidden zones" concerning the research of many major historical topics of practical significance. For example, except for a few pamphlets and writings of a propaganda nature, even now there have been very few or even no special works published about major world historical events such as the war of resistance against Japan, and agrarian reform. Even less have there been any people who are interested in the history of the CPC, the history of the struggle and cooperation between the CPC and Kuomintang, and the history of figures who were politically relatively complicated and who played important roles in history.

All these phenomena are abnormal and regretful. They were all the result of the disruption of the double hundred principle by "leftist" poison. The twists and turns that we encountered in implementing the double hundred principle in the 30 years and the prosperity and depression of our historical research in the 30 years have provided us with a lesson of great weight: In order to make our socialist culture and sciences develop and prosper and in order to train outstanding and talented scientific and cultural workers, we must persist in implementing the double hundred principle and we should by no means change, even less abolish, this principle. This matter is vital to the destiny of our country and people and a matter that determines the good rule and prosperity in our country. Our experience of twists and turns in this sphere is still fresh in our memory.

What is very heartening and exciting is that since the 3d Plenary Session of the 11th CPC Central Committee, our whole country has entered the best period since the founding of the PRC. So has the whole cultural and academic undertaking, including historiography. When we review the 30 years since the double hundred principle was put forth, we are entirely able to foresee that Marxist theory will be creatively developed in the process of building socialism with Chinese characteristics and that under the guidance of Marxism, China's historiography will continue to develop and prosper. A review of the history is aimed at carrying out the construction better now and opening up our future. How people long for the emergence of a long standing prosperous socialism in our motherland!

HUBEI SPIRITUAL CIVILIZATION STRATEGY MEETING ENDS

HK210857 Wuhan Hebei Provincial Service in Mandarin 1000 GMT 19 May 86

[Text] A Wuhan discussion meeting on the strategy for building spiritual civilization concluded in the meeting hall of the Wuhan City CPC Committee this afternoon. The specially invited representatives from places including Beijing and Shanghai, and some 200 responsible comrades, experts, and professors from Wuhan discussed the great plan for building socialist spiritual civilization. Zhu Houze, director of the Propaganda Department of the CPC Central Committee, attended this discussion meeting and conveyed the important speeches of responsible comrades of the central authorities on building spiritual civilization.

At the discussion meeting, comrades including Qin Chuan, a CPC Central Committee member and former director of RENMIN RIBAO; vice minister of culture Gao Zhanxiang; Zhang Youyu, a famous jurist and vice chairman of the Law Committee of the NPC; Peng Peiyun, vice minister of the State Education Commission; Ru Xin, vice president of the Academy of Social Sciences of China; and (Luo Guojie), vice president of China's People's University, respectively explained the dialectical relationship between building spiritual civilization and building material civilization. They pointed out: Only by carrying out reform in the areas of ideology and culture can we consolidate the achievements in economic reform. They also conducted scientific analysis of and put forward useful suggestions on the history, present situation, and strong and weak points, long-term plan, and current work of the building of spiritual civilization in Wuhan. At the discussion meeting, Wang Qun, first secretary of the Wuhan City CPC Committee, made a report on the strategy for building spiritual civilization in Wuhan. In his report, he put forward a preliminary plan for the strategy for building spiritual civilization in Wuhan City. Many experts hope that after considering the useful views of all quarters, the Wuhan City CPC Committee will revise these views and carry them out. Attending the discussion meeting were responsible comrades concerned of Hubei Province and Wuhan City, including Liu Huinong, Li Erzong, Deng Ken, Li Zhi, and Wang Zhongnong.

COMMENTATOR'S ARTICLE EXAMINES BRIBERY CASE

HK030203 Beijing RENMIN RIBAO in Chinese 30 May 86 p 4

[Commentator's article: "Here Are Footsteps Going Toward the Abyss of Misery"]

[Text] Chen Jinhua is no big shot. The reason why this paper carries a report on his case of taking bribes lies in the fact that a lesson can be drawn worthy of our pondering deeply, which should not be neglected just because Chen Jinhua is not a somebody. "A thousand-li journey is started by taking the first step." The road of initiating an enterprise is so, and so is the road leading to crime. Chen Jinhua was once a Young Pioneer, a CYL member, and became a CPC member when he was 21; he had worked in earnest for many years in the field of finance and trade. However, in recent years, urged by his burning desire, he had surrendered to his own selfishness, and lost the minimum qualities of a communist cadre totally and completely. In the beginning, he thought that he was taking small advantage of the state, and lost his peace of mind a bit, but the crucial point was that he had made the first step; from that point, he lost control of himself. The journey from a vice manager, who had some control of the substantial power in import and export, to a shameful prisoner took only the short span of 3 years. One ant hole may cause the collapse of a thousand-li dike; a momentary slip has become a lifetime regret. A communist may abuse his power and lead to his own destruction if he fails to conscientiously subject himself to the supervision of the party and people and relaxes his own ideological vigilance. Such a change in quality often begins with the first step of a mistake in a small affair.

When some people engage in criminal activities such as corruption and accepting bribes, they always believe that everything is done secretly. That is of course a subjective, optimistic estimation. The question lies not only in the fact that such behavior as corruption and accepting bribes will eventually be brought to light, but more importantly that such ill-gotten wealth, once snatched, will confront those involved with greater hooks awaiting them, until their souls are dragged down into the abyss of misery. Selfish desire is like a greedy hand, the more it takes, the greater the appetite becomes. When one's eyes see only ever-expanding personal interests, the party and government discipline as well as the law will become nothing in their eyes, and their legs will inevitably take them across the vigilant line of danger!

It was close to 3 decades ago when Chen Jinhua became a communist; he has only himself to blame for his misery today. However, when all this bitter experience was brought to light, he came to see that for some time in the past, he had become "a kite with its string broken;" he may well serve as a negative example to remind party organizations at all levels: the further we implement the principle of opening up to the world and invigorating the domestic economy, the more necessary it is to strengthen education in the party's basic principles and discipline; by no means should we neglect the administration and supervision of party members and cadres. It is imperative to educate and urge every party member and cadre in the economic field to study seriously and to be strict in their demands on themselves, in order to turn themselves into government workers who are firm in politics, skillful in profession, and honest in performing their official duties. Building such a staunch contingent is an important guarantee for the smooth implementation of opening up and invigorating the domestic economy. Chen Jinhua's footsteps toward the abyss may serve as enlightenment to many people.

BAN YUE TAN ON CORRECTLY VIEWING REFORM PROBLEMS

HK031418 Beijing BAN YUE TAN in Chinese No 9, 10 May 86 pp 4-6

[Commentator's article: "Correctly Understand New Problems Arising From Reform"]

[Text] Economic structural reforms in our country first made major breakthroughs in the countryside, and then also made marked progress in cities, thus achieving great results acknowledged by the whole world in promoting socialist modernization construction. We should note these achievements, and should also soberly realize that we have just taken the first step in the entire economic structural reform with the focus on cities. Urban reforms involve a much wider scope and have greater influence than rural reforms and are more complicated and difficult than rural reforms. We still have to study and settle many complicated problems. At present, a prominent issue is how to correctly view the new situation while the new replaces the old and how to properly solve new problems appearing in the course of this process. This is the key to continuously promoting urban economic structural reforms.

The economic system in our country has begun to change from a rigid system which is overcentralized and too tightly controls the economic activities to a new system suited to the development of the commodity economy and full of vitality. However, we still have to make further painstaking efforts to advance our practice and explorations in order to really establish the Chinese-style socialist economic system which is different from the previous rigid and ossified pattern and is also different from the capitalist pattern. Premier Zhao Ziyang pointed out in his "report on the Seventh 5-Year Plan:" We must "fully realize the arduousness and complexity of the process of the new superseding the old system."

The old system will just vanish gradually, and the new system can only be formed gradually. It is time to complete this course of change. In the period of transition, the new and old systems will coexist and interact on each other. The factors of the new system will increase day after day in the economic activities, but they cannot replace the old system as a whole. Some parts of the old system will continue to exist and function in a certain period. This thus determines that the appearance of various problems and complicated contradictions is unavoidable. People should make full mental preparations for this situation.

Now there is an abnormal phenomenon: All people agree that it is necessary to carry out reform, and no one objects to reform, but after some concrete reform measures were taken, some people felt uncomfortable and unaccustomed and were keen on finding fault with reform measures, raising a great fuss about problems in the course of reform. They might even waver and become doubtful about reforms. This is because these people do not understand the arduousness and complexity of the change from the old to the new and are not mentally prepared for meeting new things and new problems which are unavoidable in the course of reform.

It is because the old road got us nowhere that we need to open a new road through reform. Reform is in line with the inevitable tendency of historical development and is in the interests of the people throughout the country. Meanwhile, reform is extensive, profound, and prolonged social transformation, which will change a closed society into a society open both inwardly and outwardly, will change a long-standing natural economy into a planned commodity economy, and will replace the old system with the new system. Such an extensive and profound change will certainly be a shock to state political life, economic life, and all parts of social life, and will certainly affect people's traditional mentalities, habits, ideas, and lifestyles. The effect will be unprecedented. It is no wonder that this may bring about all sorts of different opinions and views among the people. However, we should raise our consciousness toward reform and overcome blindness. That is, we should correctly understand the characteristics and regularity of this great change, realize its arduousness and complexity, and prepare ourselves for the approaches of various new things and new problems.

Economic structural reform is in fact a huge project of social system engineering. It is a new case to combine the basic principles of Marxism with China's realities and to build a socialist economic system with Chinese characteristics. It will never be plain sailing to fulfill such an arduous and complicated task, and it is impossible for us to avoid all twists and turns. Comrade Deng Xiaoping said at his recent meeting with Greek Prime Minister Papandreou: "We regard reform as our second revolution. Reform began in the countryside. Now the all-round economic structural reforms are being carried out in cities. This is not an easy thing. Our predecessors did not leave any experience in this regard, so we must rely completely on our own exploratory efforts." "Some errors have unavoidably appeared in the course of reform. So long as we continue our reform, errors will certainly continue to appear. We will make efforts to correct the errors, and we will always be firm in carrying on the reform." A famous poet in the Song Dynasty wrote this line: "Some travellers like going along the mountainous path, because they can surmount the mountains one after another." This is also the case in carrying on reform. Carrying on reform is similar to advancing along a rugged and tortuous path which is strange to us. We have to grope our way and review our course after taking each step ahead. So long as we adhere to the correct orientation in our reform and confidently and bravely surmount all difficulties and obstacles, we will certainly be able to reach the great goal.

Undoubtedly, reform will eventually make China prosperous and powerful and will bring real benefit to our people, but this needs time. We cannot hope to reach the sky in a single bound. Each reform step may not necessarily bring real benefit to every person in our society. Sometimes, it is necessary to sacrifice some partial and individual interests for the sake of overall interests; and it is necessary to sacrifice some immediate interests for the sake of the long-term interests. Therefore, we should have a broad vision; we should understand and support reform, and take an active part in the reform; and we should be full of confidence in solving the new problems in the reforms with one heart and one mind so as to promote the process of the four modernizations and to contribute our efforts to the successful fulfillment of the Seventh 5-Year Plan.

TIAN JIYUN APRIL INSPECTION OF FUJIAN DETAILED

HK310825 Beijing LIAOWANG in Chinese No 20, 19 May 86 pp 9-11

[Article by Xu Yiming and Zhang Mingqing: "Uphold Reform, Advance as Pioneers -- Sidelights of Comrade Tian Jiyun's Inspection Tour of Fujian"]

[Excerpts] In April, beautiful azaleas were in full bloom in the mountain areas in northern Fujian, when sturdy rice shoots were dancing in the wind on the fertile fields in the southern part of the province. It was in this late spring that Vice Premier Tian Jiyun of the State Council, who had just concluded his inspection tour in Tiangxi, arrived in Fujian for 9 days of investigation and research. During his stay in Fujian, Comrade Tian Jiyun, together with the leading members of the provincial CPC Committee and government, conducted in-depth investigation and research from coastal, to mountain areas, from the special economic zone to revolutionary base areas, holding discussions with cadres of all levels, workers, peasants and teachers. In the course of his inspection tour, he showed admiration for the accomplishments of Fujian since the 3d Plenary Session of the 11th CPC Central Committee. At the same time, he also seriously studied the new conditions and problems emerging under the new situation.

Making the Horizontal Development of Economic Combination an Issue

Tian Jiyun arrived in Fuzhou at noon on 31 March. On that very afternoon, he made an inspection tour of the Fuzhou no 1 switchgear plant and the Fuzhou transformer plant. The next day, he made an inspection tour of the Fuzhou electric wire plant and the Fuzhou stone-carving handicraft workshop. These enterprises have actively developed horizontal economic combination in reform and have scored marked economic results and social benefits. Tian Jiyun was very happy inspecting these enterprises. He said: "Your way of development is correct. Regarding the entire structural reform of our country, the year 1986 is one of consolidation, digestion, supplementing, and improvement. But concerning horizontal economic combination, a great development with some breakthrough is required."

On 1 April, Comrade Tian Jiyun invited the leading comrades of some enterprises and relevant departments of Fuzhou for a discussion. The directors and managers participating in the discussion. The directors and managers participating in the discussion aired their views freely, and the discussion went on in a lively atmosphere. Several directors reported that in some factories, in which the directors responsibility system is implemented, different opinions existed on how to be a director. Comrade Tian Jiyun pointed out, as the director, manager, or party committee secretary of an enterprise, I think, he should at least act in a double status, bearing responsibility in two respects: he is a representative of the interests of his enterprise's workers and staff as well as the state.

Therefore, in handling problems, he should take into consideration the interests of the workers and staff as well as the state, their immediate, as well as long-term interests, his own enterprise's interests as well as the effects of neighboring enterprises. In the matter of dealing with the workers' economic interests, our principle can only be a gradual improvement in economic development; it should not and cannot be a gradual reduction. However, the range of improvement should be suitable to the rising level of economic development, labor productivity, and economic results; and the improvement should not exceed the level of economic development and labor productivity, which is always rising. As enterprises, they should think more of making contributions to the state.

Importance Should Be Attached to Work in Poverty-Stricken Areas

A focal point of Comrade Tian Jiyun's recent inspection tour of Fujian was that under the excellent situation, attention should be paid to the imbalance in economic development and eliminating weak links in our work, and importance attached to doing a good job in work in poverty-stricken areas.

Upon his arrival in Fujian, Comrade Tian Jiyun told the leading comrade of Fujian: My present trip is to see the developed as well as poverty-stricken areas. He stressed that measures should be adopted in three respects in order to change poverty-stricken areas. First, great determination is needed. Such determination can only be derived from a strong sense of responsibility for the people. Second, an explicit target is required, which is started from local conditions and carried out in a down-to-earth way. And third, there must be powerful measures. At present, the policy on supporting poverty-stricken areas stipulated by the state must be resolutely implemented. The funds allotted to supporting poverty-stricken areas must be spent on some focal points with an overall strategy, such as projects that will beef up local economic strength.

Learning Opening Up in Practice

The way was rough from Anxi, Changyuan, to Xiamen; it took more than 3 hours for the car to spiral up and down. As soon as he arrived in Xiamen, Comrade Tian Jiyun began his inspection activities. He showed great concern for the conditions of imported technology, equipment and raw materials as well as the utilization of home-made parts. He required stepping up the pace of using home-made parts in production, and improving the competitive power of our products in the overseas market. He mentioned three points to the general manager of the Xinhua Electronic Corporation: continuous progress in technology, continuous improvement in quality, and more prosperous business.

When some comrades mentioned the development of joint-ventures, enterprises operated with Chinese and foreign corporation, and enterprises operated with foreign capital Comrade Tian Jiyun said: Enterprises in these categories comprise a very small proportion of China's economy at present. China allows and supports the development of enterprises of these categories in policy and the law. Advanced technologies and managerial experience can be imported through these enterprises. We must look upon this question from a long-term point of views, and not a one-sided, stagnant view. He pointed out, no ready experiences can be followed in opening up in a country like ours, which has adopted a closed-door policy for so many years. We must start everything from scratch, and gradually find our way in the practice of opening up. You have learned much over the past few years, and have made great progress. You should continue to study and to make progress!

Fujian Should Take the Lead in the Four Modernizations

On the train going north, Comrade Tian Jiyun listened to the report of the leading comrades of Fujian Provincial CPC Committee and government the whole evening. In his talks, he pointed out on several occasions that the situation in Fujian is fine. The masses feel good about the political as well as the economic situation. He said even in the poverty-stricken areas, the masses' spiritual characteristics are also fine. It seems that the principles and policies of the Central Committee have struck root in the grass roots and have produced good effects.

According to Comrade Tian Jiyun, it is necessary to have resolute willpower in reforms, opening up and invigorating the domestic economy. It is necessary to see that great changes have taken place in Fujian as a result of reforms, opening up and invigorating the domestic economy as well as the implementation of specific policies and flexible measures in Fujian. If the development in the past relied on reforms, opening and invigorating the domestic economy, we should continue to rely on them for our further development. What should we pay attention to in reforms, opening up and invigorating the domestic economy? This should be taken into serious consideration by the leadership in order to ensure steady and healthy development of all work. Tian Jiyun said with the specific policies and flexible measures stipulated by the Central Committee regarding Fujian, with the leadership of the party committee and government, at all levels, with the enthusiasm and initiatives of the cadres and masses, and with the special economic zone and so many Overseas Chinese, we believe it is entirely possible for Fujian to realize the objective of taking the lead in the four modernizations as proposed by the leading comrades of the Central Committee.

STATE COUNCIL APPOINTS, DISMISSES OFFICIALS

OW032319 Beijing XINHUA Domestic Service in Chinese 0820 GMT 30 May 86

[Text] Beijing, 30 May (XINHUA) -- On 2 April, 3 May, and 19 May, the State Council appointed and replaced a number of state organ officials. It appointed Zhou Ping and Li Dingfan [2621 1353 0416] vice ministers of nuclear industry; Pan Liansheng [3382 6647 3932] vice minister of the chemical industry; Jiang Xi deputy director of the State Council Economic Regulation Office; and Yang Haibo chairman of the China National Commission for UNESCO. It dismissed Teng Teng as vice minister of the State Science and Technology Commission; Wu Lianyuan as vice minister of nuclear industry; and Zhao Zongnai as vice minister of petroleum industry. The State Council also accepted Li Zhengguang's resignation as vice chairman of the Board of Directors of the China National Petrochemical Corporation.

VICE MINISTER VIEWS MACHINE-BUILDING INDUSTRY

HK030323 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 21, 20 May 86 pp 16-17

[Article by Li Anding: "China's Machine-Building Industry Is Faced With a Golden Period of Substantial Development -- He Guangyuan Talks About Opportunities for, and Challenges to, the Machine-Building Industry"]

[Excerpts] Recently, when making an inspection of some machine-building enterprises, Premier Zhao Ziyang pointed out: "Now is a golden period for the development of the machine-building industry. I hope you will all work hard."

The machine-building industry occupies an important position in China's national economy. This is not only because its output value, profits, and fixed assets, as well as the number of people engaging in this production, constitute one fourth of those of national industry as a whole, but also because it should provide all trades and professions with advanced equipment. This is more important. No wonder people have paid much attention to the fact that this industry has sprung out of the "bottom of its valley" and entered a "golden period." This is also why this reporter recently interviewed He Guangyuan, vice minister of the machine-building industry.

He Guangyuan first talked about his understanding of the "golden period." He said: During the period of the Seventh 5-Year Plan beginning this year, China will, undoubtedly, steadfastly continue to follow the road of opening up to the outside world and enlivening the domestic economy. With this background, China's machine-building industry will naturally advance to a new stage. It is faced with great opportunities and severe tests, or, as we have often said, it is faced with new challenges. Naturally, challenges, opportunities, and countermeasures, became the main subjects of this interview.

First Challenge: Shoulder the Major Task and Reduce Imports

He Guangyuan said: According to customs statistics, a total of \$17.86 billion worth of mechanical and electrical products were imported by China in 1985. If converted into renminbi, this amount is almost equal to the total output value produced by the machine-building industry throughout the year. As a result of the aggravated "price war," oil prices are unlikely to rise again in the coming year or so. Thus, China's income from oil export will decrease. It can only use its limited foreign exchange to introduce advanced technology and import key equipment. It seems that the time has passed down when it can import large quantities of mechanical and electrical products. Most mechanical and electrical products, especially large-scale and complete sets of equipment for key construction projects, which were imported in the past, have to be produced by our own machine-building departments.

Second Challenge: Improve Export Structure

He Guangyuan said: In 1985, China's export volume of mechanical and electrical products was less than \$1.3 billion, comprising only 4.7 percent of the total export volume. However, in advanced industrial countries, this percentage is usually over 40. Recently, our country decided to place the export of mechanical and electrical products in an important position. The ratio between the export of mechanical and electrical products of the technology-intensive type and that of the raw-material-type primary products, and agricultural and sideline products, will become an important indicator of the degree of China's economic modernization. He Guangyuan said that the State Council has already adopted a series of preferential policies to expand exports of China's mechanical and electrical products. They will encourage machine-building enterprises to promote exports.

Third Challenge: Satisfy the Needs of New Industries

He Guangyuan, 56, studied in the Soviet Union just after the founding of the PRC. He has been engaged in technological leading work ever since he returned to our country, and has paid great attention to the influence of the world's new technical revolution on China's machine-building industry. He believes that some of the newly emerging industries, such as new energy resources, new materials, fiber optics communications, laser technology, bioengineering, information industry, and microelectronics technology, have begun to take shape in China.

Most of the equipment they need are not on the list of today's mechanical and electrical products. The machine-building departments must study and attach great importance to these new industries and serve them to the doorstep. This will become a broad field of production.

Fourth Challenge: Increasing Shortage of Energy Resources and Materials

He Guangyuan said: It is predicted that during the period of the Seventh 5-Year Plan, or even in the entire 1990's, steel products and power supply will still be main factors restricting China's economic development.

Fifth Challenge: Reform and Association Introduce New Life

The current reform of the economic structure and development of lateral economic ties, is a trend conforming to the law of economic development. This is undoubtedly a new stream of life for the machine-building industry, which has a vast field to serve. He Guangyuan said: Economic reform and association will provide the machine-building industry with a good environment.

Conclusion and Countermeasure: Serve the Whole Trade

Machine-building is a big trade. Apart from the Ministry of Machine-Building Industry, many other departments, such as energy, communications, petrochemistry, light and textile industry, urban construction, and war industry, as well as many township enterprises, have the capability of producing machines. Recently, when the Ministry of Machine-Building Industry put some subordinate enterprises under the administration of lower level authorities, the State Council authorized this ministry to exercise the function of management over the whole trade.

To conclude his remarks, He Guangyuan said: To carry out overall management of the whole trade is aimed at serving various departments better. Under this ideological guidance, we must presently do a good job in the following three aspects: 1) to start the work concerning development plans, policies, information, and enterprise combination and gear the management to the orientation of serving the whole trade; 2) to promote dialogue between ministries so as to learn from each other and make up each other's deficiencies, and to do a good job of overall management so that the work of all ministries can be prompted simultaneously and in a harmonious way; and 3) to bring tens of thousands of township enterprises into line with professional management so that they may develop healthily under the guidance of relevant policies and with the help of relevant information. He Guangyuan summed up all this in the following remark: The machine-building industry is faced with a "golden period" of substantial development, and will provide more equipment and a better service to various sectors of the national economy.

JIEFANGJUN BAO ON DEMOBILIZATION OF LANZHOU PLA

OW281007 Beijing Domestic Service in Mandarin 2130 GMT 27 May 86

[Text] Today's JIEFANGJUN BAO carries a report on its front page, conveying the latest message from the great northwest. The report says that a great number of demobilized cadres of the Lanzhou Military Region have volunteered to stay in the northwest. A common saying in northwest China is that people would rather move a thousand miles eastward than move a step westward. This outdated idea has begun to waver as a great number of demobilized cadres decided to make contributions in frontier areas and regard the whole country as their home.

The newspaper publishes a commentator's article, particularly for this report, comparing this message to the Song of Honor which has greatly inspired everyone.

MEMBERS APPOINTED TO ARTS FEDERATION PARTY GROUP

HK030837 Beijing WENYI BAO in Chinese 31 May 86 p 1

[Report: "CPC Central Committee Appoints New Members of Party Group of China Federation of Literature and Art Circles"]

[Text] The CPC Central Committee issued a document this month appointing Wu Zuqiang secretary of the party group of the China Federation of Literature and Art Circles, and Liu Jianqing and Yang Li as members of the party group of the organization. These three new members of the party group of the China Federation of Literature and Art Circles are all under 60.

Wu Zuqiang graduated from the music department of the central music conservatory in 1952. After that, he studied for a further 6 years in the Soviet Tchaikovsky music conservatory. He is now an alternate member of the CPC Central Committee, president of the central music conservatory, and vice chairman of Chinese musicians association.

Liu Jianqing graduated in 1947 from the literature and art department of the arts faculty of the united university in north China. He successively held the posts of deputy director of the editing department of WENYI BAO, deputy chief editor of RENMIN WENXUE, and director of the research department of the Chinese Writers' Association.

Yang Li graduated from the print department of the central art college in 1958. He has been teaching and has occupied party and government posts for a long time. He successively held the posts of deputy head of the print department of the central art college and deputy secretary of the CPC Committee of the college.

PAID UTILIZATION OF URBAN LAND DESCRIBED

SK230838 Shenyang DONGBEI JINGJI BAO in Chinese No 39, 19 Apr 86 p 2

[Article by Sun Zhanchang carried in the "Exploration and Study" column: "Preliminary Exploration on Paid Utilization of Urban Lands"]

[Text] The land is closely linked with the livelihood of the people since it is a key resource of the state as well as the basic and irreplaceable capital goods in industrial and agricultural production. Along with the progress of the urban economic restructuring, the people show more and more concern for the issue concerning how to eliminate the tendency of "everybody eating from the same big pot" in terms of land utilization and the issue concerning carrying out the method of paid utilization or urban lands.

The Constitution of our country stipulates that urban lands are owned by the state. This has provided a legal basis for the ownership of urban lands and has created conditions for formulating specific regulations on using and developing urban land resources in a planned and rational manner.

Instead of applying legal and economic means, at present, most of the urban land management departments in the country still apply administrative means for the management of the lands occupied by the units.

This unified way of land management has brought about many malpractices: First, the unpaid utilization of lands has brought about the fact that the units regard and deal with the lands which they have occupied as their own but pay no attention to the economic results in the utilization of lands. Second, some lands are left seriously wasted. Some units requisition more land than they really use and some units even do not use the lands that they have acquired. Third, disputes over land occur one after another and the tendencies of occupying lands in violation of the regulations have not been stopped. Fourth, some units and individuals are engaged in the activities of covertly hiring or dealing in lands. This is not conducive to safeguarding the state ownership of land

Practice has shown that it is good to change the utilization of urban lands from free distribution to lease with payment. That is, the representative organs with property rights delegated by the state, acting on behalf of the state, collect the charges for the use of lands from the units and individuals that use the urban lands, and then hand over to the state a certain portion of the funds that they have collected as land taxes. In the official written reply to the overall urban development plan of the capital made in July 1983, the CPC Central Committee and the State Council had set forth a requirement for "collecting charges from the units using lands." In accordance with this requirement, Fushun City began to carry out the work of collecting land charges on a trial basis from 1984, and has achieved good results with it.

There are the following advantages in doing so: First, it is advantageous to the state to exercise the public ownership of the land, and land resources can be developed and used rationally. Second, units can upgrade their understanding of the utilization and management of land so as to tap the potential of urban lands. Third, sources of funds for the construction of urban infrastructure can be created. Fourth, this can help maintain a comprehensive balance of the distribution of the lands for various construction projects, and help balance the surplus and shortage of lands so as to bring into full play the best social effect and economic results of land resources. Fifth, disputes over lands can be eliminated: Urban lands can be dealt with in accordance with the law; and the implementation of the urban construction plan can be ensured.

The charges for the use of urban lands should be calculated in terms of the value of the lands occupied and the expenses for maintenance, reconstruction and improvement of each square meter of urban land. In calculating the charges for the use of urban lands, we should also take into consideration the factors for the urban economic development and the economic strength of the industrial and commercial enterprises, and make distinctions between the areas for civilian use and the industrial and commercial areas, and between different sections of areas. Substantial fees should be collected from the units and the individuals that do not properly use or do not use at all the lands they have occupied.

LEADERS PARTICIPATE IN CHILDREN'S DAY FESTIVITIES

Hu Qili, Tian Jiyun Meet Earthquake Victims

OW020538 Beijing XINHUA Domestic Service in Chinese 1222 GMT 1 Jun 86

[By reporter He Ping]

[Excerpts] Beijing, 1 Jun (XINHUA) -- To the 40 children from quake-affected areas in Xinjiang, it was an unforgettable day in their lives; this afternoon they met Hu Qili and Tian Jiyun, members of the CPC Central Committee Secretariat, at Zhongnanhai, home of the party Central Committee.

The 40 children came from Wuqia County and Wupar Township in Shufu Country, Xinjiang. On 25 August last year, the third day after quakes hit these two areas, Hu Qili and Tian Jiyun rushed to the quake-affected areas to express their sympathy and solicitude and deliver relief to the victims.

"Dillinuer!" Hu Qili and Tian Jiyun called to a little Uigur girl. They recognized her at first glance. She was injured in the quake. Comrade Hu Qili dispatched his own car to take the girl to the hospital. After she recovered, Dilinuer wrote a letter to Hu Qili to express her gratitude. Hu Qili and Tian Jiyun sent her replies.

Also present at the meeting today were Wen Jiabao, director of the General Office of the CPC Central Committee; Ismali Amat, minister in charge of the State Nationalities Affairs Commission; and Li Yuanchao, secretary of the CYL Central Committee.

In a bright and spacious conference room, Hu Qili and Tian Jiyun sat together with the children and had a cordial talk with them. Upon hearing that the people of all nationalities in the quake-affected areas have worked together and rebuilt their hometowns under the leadership of the local government, Comrade Hu Qili said: "The spirit of unity in struggle, perseverance, and tenacity displayed by the people of all nationalities Xinjiang's quake-affected areas in combating damages and rebuilding their hometown should be commended and encouraged." Hu Qili said: "Our vast and populous motherland is a big family consisting of many nationalities who are united as one. In order to build a modern socialist power, we must strengthen the unity between the party and the government and between army men and civilians, as well as among people of all nationalities. Unity means strength which is the fundamental guarantee for achieving sure victory in our cause." Hu Qili said: "Children are the symbols of hope and the future of our country. Efforts of several generations are needed to achieve the goal of catching up with the world's developed countries by the middle of next century. It is hoped that you will carry forward the spirit of unity in struggle displayed by people of all nationalities in China and build our socialist motherland into a more prosperous and powerful country." Hu Qili's speech won roaring applause from the children.

Tian Jiyun then spoke. He said: "I hope that through the current visit, you will love our socialist motherland more dearly and that after your return, you will tell your relatives, friends, neighbors, and classmates what you have seen and heard during the visit, and convey the kind concern and regards of the party Central Committee and the State Council to the people in quake-affected areas." On behalf of the General Office of the CPC Central Committee and the State Council, Hu Qili and Tian Jiyun presented each child an atlas and notebooks. Li Yuanchao also presented the children gifts from the CYL Central Committee and the National Committee for Young Pioneers' Work.

Write Letter to Student

HK290812 Urumqi Xinjiang Regional Service in Mandarin 1200 GMT 28 May 86

[Text] The following is a letter written by Hu Qili, member of the CPC Central Committee Political Bureau and secretary of the Central Secretariat; and Tian Jiyun, member of the CPC Central Committee Political Bureau and vice premier of the State Council, on 17 May to Dilinuer, a student of No 1 secondary school in Wuqia County:

Dilinuer, we were glad to receive your letter. We take this opportunity to extend cordial greetings to you, to the people of various nationalities, and to the wounded who were affected by the natural disaster. We understand that following the earthquake, the region's people of various nationalities, under the leadership of the regional CPC Committee and government, have actively fought the disaster areas. They have scored great successes in working hard to restore production and rebuild their home villages. Therefore, we extend warm greetings to them. In addition, we hope that the people of various nationalities living in the disaster areas will unite and rouse themselves so as to strive for new and greater successes in the work of fighting disasters and sending relief to the disaster areas and the work of socialist construction. [Words indistinct] You are taller now than you were before and you look like an older child. How is your illness with your head? We are concerned about your health. We hope that you will fully recover your health, exercise more, study well, be a good student, and master skills so as to continue your efforts in the work of building your home town, Xinjiang, and the motherland. Here's wishing you good health and good academic results.

Hao Jianxiu Speech

OW010600 Beijing Domestic Service in Mandarin 1100 GMT 31 May 86

[Speech by Hao Jianxiu, member of the Secretariat of the CPC Central Committee, marking 1 June International Children's Day; date and place not given -- recorded]

[Text] I am very happy to celebrate the 1 June Children's Day together with young friends today. I would like to take advantage of this opportunity, on behalf of the CPC Central Committee and State Council, to extend warm congratulations to the 330 million children and juveniles across the nation and express heartfelt gratitude and cordial regards to those comrades in charge of nursing and educating them.

Children and juveniles are of the generation who will stride into the next century; they are the hope and future of our nation. All of the work we are doing is, in the final analysis, for the new generation. This is the first year of the Seventh 5-Year Plan; it is also a year for promoting the socialist spiritual and material civilizations and for vigorously bringing about a turn for the better in social conduct as quickly as possible. The new situation requires the entire party and society to take further steps to implement the CPC Central Committee's instructions on work concerning children and juveniles in a creative and better manner. The extent of society's civility and morality and the people's mental attitude will certainly have a great impact on the healthy growth, both mentally and physically, of children and juveniles or even on their whole life.

Our country has achieved vigorous progress in all fields including economy, culture, and education in the course of implementing the policy of reform and opening up. The people's living standards have been improving continuously. This has laid a good material foundation for popularizing compulsory education and initiating child-care work. Growing up in such a good environment, the children are robust and most of them are eager to learn and progress. However, we must also note the many unhealthy tendencies in society. The mentality of putting money before anything else, the new version of the knowledge-is-useless theory, unhealthy periodicals and reading materials, and obscene and vulgar audio and video products are exerting a corrosive influence on the minds of children. Excessive dotage on only children has fostered a self-centered mentality among many of them. The whole society must take these problems seriously.

We must pay greater attention to educating children and juveniles in communist ideals, patriotism, collectivism, and revolutionary traditions. It is necessary to foster in them a national dignity and sense of pride. We should educate them in such a way that they will begin, from a very young age, to integrate their life and study with the lofty ideal of dedicating themselves to national construction in the future. We should also educate them in civility, morality, the legal system, and work ethics. We should cultivate their ability to live and think on their own. In conducting education in communist ideology and ethics among children, we must use such methods that are easily acceptable to them. We should create varied and lively forms by taking into consideration such characteristics as the age of children and juveniles, the stage of their physical and mental development, and their ability to understand.

Educating children and juveniles well and bringing them up as a generation of new communists who can meet the needs of modernization, the world, and the future represent one of the most fundamental tasks in promoting socialist spiritual civilization. Our theoretical, literary and art, press, and publishing circles should pay special attention to children and juveniles with a high sense of political responsibility by actively providing them with nourishment for the mind that encourages them to exert themselves and make progress. Our party and government organizations, the military, mass organizations, schools, enterprises, and establishments should, in accordance with their specific conditions, make the most of their intellectual resources to do some solid, good work for the healthy growth of children and juveniles. They should give a green light to and provide as much assistance as possible to all undertakings that are good for the healthy growth of children. All party members, CYL members, cadres, staff members and workers, PLA commanders and fighters, and every person in charge of the education of children, juveniles, and parents should have a strong sense of social responsibility for caring for and educating children, shoulder the heavy responsibility of the times, set a good example in stressing civility and social ethics, [words indistinct] in resisting unhealthy tendencies and the residues of feudal and decadent ideas, sow the seeds of spiritual civilization in the minds of children and juveniles with their words and deeds, and play an exemplary role in spiritual civilization for children and juveniles in all times.

Young pioneers and children: You are the flowers of the motherland. The motherland needs you to create and construct in the 21st century. Last year you carried out "Creation Cup" activities in line with Grandma Deng Yingchao's instruction and appeal for fostering a creative aspiration, developing creative abilities, and initiating creative activities and achieved some very gratifying progress in this regard. It is hoped that you will make continued efforts, earnestly study scientific and cultural knowledge with such an attitude as commensurate with your status as masters, acquire the skills needed for serving the people, build up a good physique, develop in an all-round manner -- morally, intellectually, physically, and aesthetically -- and become, as quickly as possible, fine educated revolutionary successors of moral integrity who observe discipline and cherish lofty ideals. Comrades in charge of children and juvenile work: The party as well as society place infinite hopes on you. This requires us to unite as one and make concerted efforts to create a new situation in the work of children and juveniles.

Youth Monument Ceremony

OW310824 Beijing XINHUA in English 0812 GMT 31 May 86

[Text] Beijing, May 31 (XINHUA) -- More than 500 young pioneers attended a cornerstone laying ceremony for a monument to the young Chinese heroes held today at the Soong Ching Ling scientific children's park in Beijing.

Hao Jianxiu, member of the Secretariat of the Chinese Communist Party Central Committee, said at the ceremony that the purpose of building the monument is to let all the Chinese children remember young heroes who laid down their lives for the Chinese revolution, such as Liu Hulan, a girl who died in 1947, and Han Yujuan, who saved a drowning child with her life. "The revolutionary spirit of the young heroes must be carried forward by all children and people today," she said. Young pioneers across the country have donated more than 200,000 yuan for the building of the monument, according to Li Yuanchao, member of the Secretariat of Central Committee of the Chinese Communist Youth League. State Councillor Zhang Aiping, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference Qian Changzhao and Kang Keqing were present at today's ceremony.

Young Pioneer Sentry Inauguration

OW020508 Beijing XINHUA Domestic Service in Chinese 0756 GMT 1 Jun 86

[By reporter Wang Xiaoyu]

[Excerpts] Beijing, 1 Jun (XINHUA) -- Beijing young pioneers attended a ceremony to inaugurate the "young pioneers' post sentries" at the Monument to the People's Heroes in Tiananmen Square today. The "young pioneers' post sentries" have been set up by the Beijing Municipal CYL Committee, the municipal Education Bureau, and the municipal Committee for Young Pioneers' Work to conduct education in revolutionary tradition among youngsters. Beginning today, selected young pioneers will stand guard at the Monument to the People's Heroes in Tiananmen Square on major holidays and anniversaries of revolutionary events. Hao Jianxiu, He Dongchang, Song Defu, Li Yuanchao, Fan Chongyan, Xu Weicheng, and Chen Haosu attended the ceremony.

Awards Presented

OW312310 Beijing Domestic Service in Chinese 1327 GMT 30 May 86

[Exerpt] Beijing, 30 May (XINHUA) -- An award ceremony for the International Peace Year Chinese Children's Electronic Organ Contest, sponsored by the Soong Ching Ling Foundation, was held at the Great Hall of the People this afternoon. Thirty children between the ages of 4 and 12 received excellent or outstanding performance awards. Hao Jianxiu, Zhu Xuefan, Bainqen Erdini Qoigyi Gyaincain, Yan Jici, Liao Hansheng, Kang Keqing, and Zhou Peiyuan, as well as officials from departments concerned in Beijing attended the ceremony and presented prizes and certificates to the award recipients.

Wan Li, Chen Muhua at Gathering

OW011422 Beijing XINHUA in English 1346 GMT 1 Jun 86

[Text] Beijing, June 1 (XINHUA) -- 50,000 Chinese and foreign children gathered in the Great Hall of the People here to celebrate June 1, International Children's Day. The celebration was organized jointly by the people's government of Beijing Municipality, the Ministry of Culture, the State Physical Culture and Sports Commission and several other organizations. About 20 Chinese leaders, including Vice-Premier Wan Li, State Councillor Chen Muhua, and member of the Secretariat of the party's Central Committee Hao Jianxiu, joined the children in watching theatrical performances given in the 10,000-seat auditorium of the hall.

The Great Hall of the People today was decorated with streamers bearing words "Peace, Friendship" in Chinese and English. A variety of amusements including chess, sports exhibitions, film shows, were offered in the hall. All parks, stadiums and children's centers in Beijing admitted children free of charge today. The Children's Palace in Beijing today invited 15,000 children from Beijing's outskirts to use its facilities. Last Friday, a get-together was held in the National Children's Center for 5,000 handicapped children in Beijing.

Peng Zhen Visits Kindergarten

OW011352 Beijing Domestic Service in Mandarin 1100 GMT 31 May 86

[Text] According to the Shanxi People's Broadcasting Station, Chairman Peng Zhen, who is now on an inspection tour in Shanxi, went to Yucai Kindergarten in Taiyuan City on the eve of Children's Day to call on the teachers and children there. In the kindergarten's recreation room, Chairman Peng Zhen watched a show staged by the children. He and the children were photographed together.

Song Renqiong, Deng Liqun at Party

OW311054 Beijing XINHUA in English 1021 GMT 31 May 86

[Text] Beijing, May 31 (XINHUA) -- More than 4,000 Chinese and foreign children gathered at the children's center here today to celebrate their own festival -- International Children's Day. They were attracted by various activities including a get-together, book show and toy sales exhibition. Dressed in colorful costumes, Chinese and foreign children sang and danced gaily. "It's so funny, I like everything here," Faruq Husayn, a 10-year-old Pakistani boy, told XINHUA. Song Renqiong, vice-chairman of the Central Advisory Commission of the Chinese Communist Party, told the children that this year is International Peace Year and peace is the common wish of the world people including children. He asked them to study hard and make contributions to peace, friendship and happiness. Deng Liqun, member of the Secretariat of the Chinese Communist Party Central Committee, Zhou Gucheng, vice-chairman of the National People's Congress Standing Committee, and Kang Keqing, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, were on hand.

Chen Pixian in Shanghai

OW020427 Shanghai City Service in Mandarin 0000 GMT 1 Jun 86

[Excerpt] Waves of joy swept the (Zhongfuhui) Children's Palace on the afternoon of 31 May as 6,000 Chinese and foreign children celebrated their own festival. Chen Pixian, member of the Secretariat of the CPC Central Committee and vice chairman of the NPC Standing Committee, and leading comrades of the municipal party committee, the municipal People's Congress Standing Committee, the municipal government, and the municipal CPPCC Committee Wu Bangguo, Chen Tiedi, Zeng Qinghong, Mao Jingquan, Wu Ruohan, and Xie Lijuan joined the youngsters in celebrating the 1 June Children's Day. Comrade Chen Pixian extended warm greetings to 1 million children in Shanghai, hoping they become the new generation of people who will inherit the cause of communism from us and pass it on to the next generation. Comrade Chen Pixian also presented books to the children in Shanghai.

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CHINA
PRC NATIONAL AFFAIRS

Hu Qiaomu Watches Play

OW022336 Beijing XINHUA Domestic Service in Chinese 1403 GMT 1 Jun 86

[Text] Shanghai, 1 Jun (XINHUA) -- Comrade Hu Qiaomu and over 1,000 boys and girls watched the play "Pinocchio" staged at the Children's Art Theater of the Shanghai China Welfare Institute this evening. The Children's Art Theatrical Company of the China Welfare Institute is a professional theatrical group set up by honorary president Soong Ching Ling in 1947. Over the past 4 decades, the theatrical company has created and performed many theatrical works that children dearly love. Prior to the show, Hu Qiaomu thanked the company's staff for its hard work and wrote these words for the company: "Working for children is a glorious case."

Gu Mu, Ulanhu Attend Concert

OW311416 Beijing XINHUA in English 1408 GMT 31 May 86

[Text] Beijing, May 31 (XINHUA) -- More than 1,200 children from Beijing held an evening party in Zhongnanhai, the headquarters of the Chinese Government, to mark the International Children's Day, which falls tomorrow. Two children troupes -- one from Jiangxi Province, and the other from Inner Mongolia Autonomous Region -- sang songs and performed dance and acrobatic items in a hall. In the course of performance, the little actors and actresses walked down the stage to present Chinese Vice-President Ulanhu and State Councillor Gu Mu with flowers and pieces of silk used as gifts for greetings among the people of Mongolian and Tibetan nationalities.

ZHAO ZIYANG INSPECTS COAL SLURRY EXPERIMENT

OW311516 Beijing XINHUA in English 1502 GMT 31 May 86

[Text] Beijing, May 31 (XINHUA) -- Chinese Premier Zhao Ziyang inspected on Friday Beijing no 1 paper mill where coal slurry has been put to industrial use. He had a discussion with officials and experts on the preparation of coal slurry and technical problems related to its combustion. Coal slurry is a kind of low-polluted liquid fuel to replace oil. The technology of using coal slurry, one of the country's key scientific projects during 1981-85 period, passed the state evaluation in January this year. The premier said that the application and popularization of the new technology is of great significance in energy saving. It could lead to more economic gains when the saved oil is used to develop petrochemical products, he said. He urged the State Planning, Economic, and Science and Technology Commissions and the Ministry of Coal Industry to do their best to help the research and spread of the technology. Its development, he said, will depend on personnel training, further scientific research and improved testing methods. The paper mill, China's first enterprise to use coal slurry, has been trying the fuel over the past two years. The mill officials said it saves 22,000 tons of oil, or 1.03 million yuan of the fuel expenses for the plant each year.

LI PENG ATTENDS EDUCATIONAL FILM AWARD CEREMONY

OW291903 Beijing XINHUA in English 1749 GMT 29 May 86

[Text] Beijing, May 29 (XINHUA) -- Two educational films and a TV play, for the first time in China, won prizes here today. The winners were the "World Regained", "Class 2, Grade 5" and "A Limpid Stream", which were given prizes by the State Education Commission.

Li Peng, vice-premier and chairman of the State Education Commission, and other leaders were present at today's prize-giving ceremony. According to a document of the commission, the winners, good at portraying vivid images of teachers, helped promote social understanding of education. "World Regained," a 12-episode TV serial made by the China national television movie center, deals with China's efforts to reform juvenile delinquents. Viewers said that it was a telling exposure of the wounds of the "Cultural Revolution" and true reflection of a new human relationship. The Hubei film studio's "Class 2, Grade 5" is about an old primary school teacher. "A Limpid Stream", produced by the Ermei film studio, tells the story of a college graduate with urban background who went to serve as a teacher in a mountain area. China has 10 million teachers and more than 200 million students, but films and TV plays about them are few. At today's ceremony, Ai Zhisheng, minister of radio, film and television, urged film and television workers to produce more works about education. He said his ministry would work out more reasonable prices for film purchasing and distribution. He also said his ministry will try to open more channels for distribution so that more films and video cassettes about education could go to audio-video education centers, children's palaces, schools and kindergartens.

ZHANG AIPING AT DEFENSE UNIVERSITY EXHIBITION

OW292345 Beijing Domestic Service in Mandarin 1100 GMT 28 May 86

[Text] The National Defense University is sponsoring an exhibition to commemorate the 50th founding anniversary of the Chinese People's Military and Political University during the war of resistance against Japan. An exhibition of historical pictures and documents shows the heroic philosophy of the school that trained over 100,000 military and political cadres with both political integrity and professional competence. This morning, Wang Ping and Li Desheng, Standing Committee members of the Central Advisory Commission, visited the exhibition together with dozens of veteran fighters who graduated from the university.

HU YAOBANG WRITES MONUMENT INSCRIPTION

OW301411 Beijing XINHUA Domestic Service in Chinese 0757 GMT 30 May 86

[Text] Beijing, 30 May (XINHUA) -- According to the JIEFANGJUN BAO, a foundation stone laying ceremony for the monument to the Chinese People's Anti-Japanese Military and Political College was held on 29 May at Qiannanyu Village in Xingtai County, Hebei, which was the former site of the college in the depths of the Taihang Shan. Hu Yaobang, former deputy director of the Political Department of the college and general secretary of the CPC Central Committee, wrote the name of the monument: "The Monument to the Chinese People's Anti-Japanese Military and Political College." Xu Xiangqian, former acting president of the college and vice chairman of the Central Military Commission, wrote an inscription for the monument: "Inherit and Develop the Anti-Japanese College's Glorious Traditions, Strive To Change the Features of the Old Liberated Area." The Chinese People's Anti-Japanese Military and Political College was founded in Wayaobao in North Shaanxi on 1 June 1936 and moved to southeast Shanxi and again to Jiangshuichuan in the depths of the Taihang Shan later. The main campus was located at Qiannanyu village.

FUJIAN'S CHEN GUANGYI MEETS HONG KONG CPPCC GROUP

OWO22351 Fuzhou FUJIAN RIBAO in Chinese 16 May 86 pp 1, 4

[Dispatch by Yang Xiaoyang]

[Excerpts] Leading comrades of the Fujian Provincial CPC Committee and the provincial government held a discussion meeting with members of the CPPCC National Committee and the Fujian Provincial CPPCC Committee from Hong Kong and Macao on the afternoon of 15 May. The CPPCC Committee members residing in Hong Kong and Macao are attending the Fifth Session of the Fifth Fujian Provincial CPPCC Committee in Fuzhou. The discussion meeting was held in a warm, sincere, and candid atmosphere. Leading comrades solicited opinions from the CPPCC Committee members residing in Hong Kong and Macao on Fujian's Seventh 5-Year Plan and on the construction of their homeland in Fujian.

The meeting was held in the conference room on the eighth floor of the provincial CPPCC Committee building. Before the meeting began, Chen Guangyi, new secretary of the Fujian Provincial CPC Committee, happily shook hands with the provincial CPPCC Committee members from Hong Kong and Macao, and expressed his welcome to them.

At the start of the meeting, Governor Hu Ping briefed the CPPCC Committee members on several issues in the past year which are of concern: 1) The improvement of the party style and the standards of social conduct; 2) the situation in Fujian's foreign economic relations; and 3) several problems obstructing Fujian's economic development during the Seventh 5-Year Plan.

Then, the CPPCC Committee members from Hong Kong and Macao spoke in turn. They expressed their satisfaction over Governor Hu Ping's frank, sincere, and truthful report. They also candidly put forward opinions and suggestions on Fujian's Seventh 5-Year Plan and on the construction of their homeland.

Comrade Chen Guangyi spoke near the end of the meeting. He first briefed the CPPCC Committee members on the change of the principal leading members in the provincial party committee. He said: The transfer of duties from Comrade Xiang Nan to me was conducted normally and smoothly, and has elicited excellent comments. Then, Comrade Chen Guangyi reported on his inspection tour of nearly 30 counties in 19 prefectures and cities in the province over the past 2 months.

Leading comrades of the provincial government and the provincial CPPCC Committee also attended the meeting.

CHEN GUANGYI ADDRESSES ELIMINATING POVERTY IN FUJIAN

OWO20619 Fuzhou FUJIAN RIBAO in Chinese 12 May 86 p 2

[Excerpts] In his report to the Third Plenary (Enlarged) Session of the Fourth Fujian Provincial CPC Committee, Comrade Chen Guangyi explained that the situation for eliminating poverty has become increasingly favorable. He said: Fujian is an open province where special policies and flexible measures are being implemented; and in our work, we emphasize opening the province to the outside and carrying out reforms. This is undoubtedly where our vital interests are. Precisely because we have vigorously carried out reforms and implemented the policy of opening to the outside world during the past 5 years, we have brought about the current excellent situation.

However, we should also clearly realize that a series of rural policies laid down by the party since the 3d Plenary Session of the 11th CPC Central Committee can be summed up as a policy of enabling people to get rich or making the country powerful and the people prosperous. Thirty-seven years after the founding of the PRC, hundreds of thousands of peasant households in some of our old revolutionary base areas, areas inhabited by Han and minority nationalities, remote mountain areas, and offshore island still live in poverty; and a considerable proportion of them have not yet completely solved the problem of food and clothing. This is a problem bearing on the overall situation.

He said: The basic way to eliminate poverty is to use fully favorable local conditions and to turn local natural resources into commodities or a favorable economic conditions. He pointed out four ways to invigorate the rural economy:

1. It is imperative to achieve prosperity by undertaking development projects. Efforts should be made to open up avenues of production to make profits, to develop diversified economic undertakings, and to continue to make full use of natural resources in the sea and mountains.
2. It is necessary to achieve prosperity by opening to the outside world. In other words, we should open the province to the outside world, cooperate with others, and use others' "brains" and funds to develop ourselves.
3. It is critical to achieve prosperity by developing industry. We should make full use of all existing enterprises and technically transform the old ones. At the same time, we should vigorously develop village and town enterprises as well as village and household industries.
4. It is necessary to achieve prosperity by developing our intellectual resources. We should increase our efforts to develop our intellectual resources and make science, technology, education, culture, talented people, and information serve and promote production.

Chen Guangyi said: The provincial party committee has decided to set up a leading group for eliminating poverty in old revolutionary base areas, areas inhabited by minority nationalities, remote areas, and offshore islands. Prefectures (cities) and counties with a fairly large poor area should also establish a similar leading group or administrative body.

Comrade Chen Guangyi pointed out at the session: In implementing preferential policies for poor areas, it is necessary to relax restrictions to the extent possible. Vigorous efforts should be made to effectively carry out such policies.

The mainpoints of these policies are: 1) to further lighten the burden on the peasants; 2) to allow poor areas to implement more flexible and preferential policies and to have greater decision-making power in management and operation; and 3) to enable poor areas to strengthen themselves and to increase their ability to free themselves from poverty. Meanwhile, various prefectures and counties may also adopt some flexible measures and preferential policies according to local conditions. Concretely speaking, these preferential policies cover the following five aspects:

First, adequate financial assistance is to be given to poor areas. Through the efforts of the departments concerned, a considerable amount of special funds (including loans) has been arranged for helping poor areas in the province this year.

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Second, priority is to be given to poor areas in planning for materials. Planning departments at various levels should also assist poor areas in making plans to free themselves from poverty and achieve prosperity and to organize people to implement such plans.

Third, special consideration is to be given to poor areas in reducing or remitting taxes.

Fourth, low- or cut-rate-interest loans are to be granted to poor areas and poor households.

Fifth, preferential policies and flexible measures are to be adopted toward poor areas in such fields as qualified personnel, science, technology, and education. What poor areas need most is qualified personnel. The basic way to solve this problem is for poor areas to train their own qualified personnel. Every institution of higher learning and scientific research institute should establish contact with a poor county to help the latter scientifically and technologically and assist it in training personnel and developing new industries and products.

Chen Guangyi stressed: The problem now is that we have policies and regulations, but they are not effectively implemented or not implemented at all. In some localities in particular the party's policy of enabling people to get rich has not yet been implemented among tens of thousands of households, and some funds and materials for aiding poor areas and households have been embezzled, diverted to other purposes, or have disappeared through the back door. Such cases must be sternly dealt with.

JIANGSU'S GU XIULIAN SPEAKS ON JOURNALISTS' TASKS

OW301117 Nanjing Jiangsu Provincial Service in Mandarin 1000 GMT 29 May 86

[Excerpts] The Jiangsu Provincial CPC Committee held a journalism work discussion meeting on 27 and 28 May. The meeting pointed out: Journalists must fully understand that during the historical period of profound change they are shouldering a glorious task and that they must put the propaganda on economic structure reform and implementation of the Seventh 5-Year Plan above all else so as to better promote spiritual and material civilization.

Comrade Sun Jiazheng, deputy secretary of the provincial party committee, presided over the meeting and spoke on the question of journalism. Gu Xiulian, deputy secretary of the provincial party committee and governor of the provincial government, spoke on the question of reporting and publicizing the implementation of the Seventh 5-Year Plan.

The responsible comrade of the provincial party committee pointed out: In doing propaganda through the press and over radio and television, we must also pay attention to developing a high level of socialist democracy and respect the people's creative initiative. It is necessary to continue publicizing and implementing the policy of letting a hundred flowers blossom and a hundred schools of thought contend and encourage everyone to come out with what is on his mind. In addition, it is necessary to be good at conducting criticism and self-criticism. In order to do propaganda in journalism still better, we must conscientiously improve the quality of journalists and strengthen their training. We must also continuously improve journalism work itself. It is necessary to correct the guiding ideology for journalism, and continuously take a realistic approach and make progress. It is necessary to stress accuracy and promptness in journalism and put accuracy above all else. It is also necessary to improve commentary writing to deepen the masses' ideological understanding.

SICHUAN'S YANG RUDAI CONVEYS HU YAOBANG SPEECH

HK030251 Chengdu Sichuan Provincial Service in Mandarin 2200 GMT 2 Jun 86

[Text] According to SICHUAN RIBAO, the provincial CPC Committee convened a gathering of cadres at and above the level of director of departments and bureaus on the morning of 2 June. The participants in the provincial CPC Committee's political and ideological work conference were also present. Comrade Nie Ronggui presided.

Comrade Yang Rudai conveyed the spirit of the important speech delivered by Comrade Hu Yaobang during his recent visit to Sichuan. Comrade Hu Yaobang focused on five issues in his speech: 1) the issue of veteran comrades; 2) the issue of new cadres; 3) the issue of defense industry; 4) the situation; 5) Sichuan work issues. He also pointed out the orientation for endeavor in the future: 1) Switch the rural labor force in a planned and measured way to secondary and tertiary industries and send them away to work elsewhere. 2) Take advantage of the strong points of third-line defense industries; and 3) The question of exploiting natural resources and natural gas.

Comrade Hu Yaobang stressed that it is essential to further eliminate the small production concept, improve economic results, and speed up cooperation and development.

SICHUAN: PROGRESSIVES MEET ON TRANSFERRING PLA CADRES

HK030438 Chengdu Sichuan Provincial Service in Mandarin 0930 GMT 1 Jun 86

[Excerpts] A Sichuan provincial representatives meeting opened today of the advanced units and advanced individuals in the placement of PLA cadres transferred to civilian work. The provincial CPC Committee, provincial government, and Chengdu Military Region decided to hold the meeting in Chengdu. Attending the meeting are 300 representatives of the progressives coming from all cities, prefectures, autonomous prefectures, and systems and other organs at the provincial level. There are 20 specially invited representatives. Others attending the meeting are Jiang Minkuan, deputy secretary of the provincial CPC Committee and governor; Wan Haifeng, political commissar of the Chengdu Military Region; Shao Nong, director of the Political Department of Chengdu Military Region; Liu Haiquan, vice chairman of the provincial People's Congress Standing Committee; Li Peigen, vice chairman of the provincial CPPCC Committee; Hu Yongchang, Standing Committee member of the provincial Advisory Commission; (Tao Jide), deputy secretary of the provincial Discipline Inspection Commission; and responsible comrades of organs at the provincial level and departments concerned of the Chengdu Military Region.

The meeting opened at 0900. (Cao Zhiming), adviser to the provincial government, presided over the meeting. Comrade Shao Nong spoke at the meeting. Comrade Jiang Minkuan made a report entitled: "Carry Forward the Achievements, Persevere in Reform, and Create a New Situation in the Placement of the PLA Cadres Transferred to Civilian Work in Our Province."

Comrade Jiang Minkuan's report deals with four issues:

1. CPC committees and governments at all levels must resolutely implement the strategic policy decisions of the CPC Central Committee and attach great importance to the placement of the PLA cadres transferred to civilian work.

2. It is necessary to seriously implement the principles and policies on the placement of the PLA cadres transferred to civilian work, to vigorously accept and make proper arrangements for them, to seriously train them, and to rationally employ them.

3. The advanced units and advanced individuals in placing the PLA cadres transferred to civilian work must make important contributions toward the socialist four modernizations.

4. It is essential to carry forward achievements, to make sustained and redoubled efforts, and to create a new situation in placing the PLA cadres transferring to civilian work in our province.

The placement of the PLA cadres transferred to civilian work is a glorious political task which the CPC Central Committee has entrusted to the whole party and all people of the whole country. From 1975 up to the present, our province has accepted and made arrangements for 140,000 PLA cadres transferred to civilian work and 150,000 family members and children of soldiers.

STREET MARKETS FLOURISH IN LHASA, XIZANG

OW210810 Beijing XINHUA in English 0759 GMT 21 May 86

[Text] Lhasa, May 21 (XINHUA) -- Like many other Tibetan hawkers in the market, 67-year-old Zuomaciren, in a typical greasy Tibetan gown, was dripping with sweat as she was busy weighing and selling butter. Yet she has made a fortune by local standards. Early this year, she brought half a ton of butter from her rural hometown to this capital of the Tibet autonomous region and made about 6,000 yuan in less than two weeks. With this money, she started a business selling butter.

Zuomaciren was one of the 4,500 hawkers in Lhasa who have brought prosperity to this once-quiet city by shipping in butter, rapeseed oil, mutton, oranges and many industrial products from the other parts of Tibet and its neighboring provinces or autonomous regions.

Every morning, at 8 o'clock, hawkers, buyers and tourists flock to the seven street markets in Lhasa. Bajiao Street and Chongsaikang are the two largest markets. Many hawkers who come late will, probably, not be able to get a space on the cement shelves along the streets and have to display their goods on the ground.

The goods include colorful garments and shining articles by local artisans, chinaware and cloth brought in from other parts of China, and imported cosmetics and pop music cassette tapes. But the shelves for farm products are the most crowded. "Beef, mutton, butter, eggs, fruit, vegetables and fish always sell well," said an official from the local administration for industry and commerce.

Every morning, vendors bring in more than 10 tons of beef and butter, the most popular food for Tibetans. The official admitted that the prices for butter, beef and vegetables are still high for many local residents, but he also quoted them as saying that "it is better than several years before when these things were simply not available."

He attributed this recent market boom to the official policy of "opening to the outside", including foreign countries and other parts of China, which the Tibetan Government adopted in 1980.

According to Ciduo, local vendors who deal in farm products do not have to pay any tax, and only 0.10 yuan a day for the market service. Vendors from outside Tibet and those who are engaged in service trades only have to pay tax of 2 percent of their transaction volume. Because of the brisk transactions and demand for more goods, the Ihasa city government has decided to set up five more street markets.

YUNNAN PROMOTES LATERAL ECONOMIC TIES WITH SHANGHAI

HK200713 Kunming Yunnan Provincial Service in Mandarin 1000 GMT 18 May 86

[Text] According to a YUNNAN RIBAO report, to date, 14 minority-nationality border prefectures and autonomous prefectures of our province have established on-term and stable economic cooperative relations with 8 suburban counties, 4 urban governments, and 12 urban collective institution management bureaus and formed a new structure for Yunnan-Shanghai lateral economic ties at many levels, through many channels, and in many forms.

Over the past 3 years, the number of projects concluded between our province's minority-national border prefectures and autonomous prefectures and Shanghai has totaled 360, 189 of which have been completed and 108 of which are being carried out. Marked economic results and social benefits have been achieved in lateral economic ties.

At present, economic cooperation between our province and Shanghai has gradually taken the form of joint operations. Some aspects of economic cooperation have taken the form of buying shares or using the other party's brands for their products so as to carry out a joint operation and to divide profits. Some cooperation has taken the form of contracting for providing technological assistance in return for earnings that exceed the stipulated profit level. Some cooperation has taken the form of supplying capital and compensation trade. [words indistinct] these forms have enabled enterprises to make more profits.

YUNNAN, CHENGDU PLA LEADERS VISIT LAOSHAN HEROES

HK030253 Kunming Yunnan Provincial Service in Mandarin 2200 GMT 2 Jun 86

[Excerpt] On the afternoon of 2 June, leading comrades of the Yunnan Provincial CPC Committee and government and Chengdu Military Region visited representatives of a certain border defense unit and of heroes and models. Pu Chaozhu, secretary of the provincial CPC Committee; Liu Shusheng, deputy secretary; Yin Jun, member of the Standing Committee of the provincial CPC Committee and secretary of the Discipline Inspection Commission; Liao Xilong, deputy commander of Chengdu Military Region; and (Zheng Xianbin), deputy director of the political department, visited the representatives of a certain border defense unit and of heroes and models who had engaged in defensive combat in the Laoshan area.

LI XIMING SPEAKS AT BEIJING PEOPLE'S CONGRESS CLOSING

SK022320 Beijing BEIJING RIBAO in Chinese 21 May 86 p 1

[Text] After satisfactorily fulfilling all items on the agenda, the Fifth Session of the Eighth Beijing Municipal People's Congress was successfully concluded at the Great Hall of the People yesterday afternoon. The congress session called on the people of various nationalities and from various circles throughout the municipality to work with one heart and one soul and to unite as one under the leadership of the party and the government, to display the spirit of the foolish old man who moved the mountain and the pioneering spirit, to actively join in the great practice of the Seventh 5-Year Plan, to persist in reform, to pioneer the road of advance, and to exert efforts to successfully fulfill the Beijing municipal Seventh 5-Year Plan for economic and social development.

The executive chairmen of yesterday's congress session were the executive members of the congress presidium, including Li Ximing, Jin Jian, Xu Weicheng, Wang Jialiu, Li Qiyang, Li Guang, Wang Lixing, Wang Xian, Pan Yan, Ma Yaoji, Hou Jingru, Wen Jiasi, Pu Jiexiu, She Diqing, Chen Mingshao, Zhang Dazhong, Xing Jun, Rong Yi, and Xia Qinlin.

At 1500, Li Ximing declared the opening of the session. After that, Ma Yaoji chaired the elections. The congress session elected, through secret ballot, the president of the municipal Higher People's Court, the president of the municipal Intermediate People's Court, and the chief procurator of the municipal People's Procuratorate. Chief ballot supervisors Qi Jialian (female) and Li Qiangou announced the results of the elections.

The session then adopted a report on the municipal Seventh 5-Year Plan and a resolution on the report concerning the Seventh 5-Year Plan submitted by the Fifth Session of the Eighth Beijing Municipal People's Congress, a resolution on the 1986 economic and social development plan and on the 1985 financial accounts and 1986 financial budget, a resolution on the work report of the municipal People's Congress Standing Committee, and a resolution on the work reports of the municipal Higher People's Court and the municipal People's Procuratorate. The session also heard and endorsed a report given by Ma Dazhong, chairman of the motions examination committee of the congress session, on the examination of motions raised by deputies.

Comrade Li Ximing spoke at the end of the session. He said: During the session, all deputies have freely aired their views, and reviewed the remarkable achievements made in various fields during the Sixth 5-Year Plan period as a result of the efforts of the people throughout the municipality in upholding reform and striving to explore, to pool the wisdom and efforts of all, and to work hard. They have planned and formulated a magnificent blueprint for developing the capital during the Seventh 5-Year Plan period. This congress session will exert great and profound influence on the capital's socialist modernization cause.

Comrade Li Ximing said: This session has brought democracy into full play and the deputies have conscientiously performed their duties as the people's deputies and exercised the rights of the people's deputies with a high sense of responsibility. In the course of examining and discussing all reports, the deputies have offered many pertinent and valuable ideas and suggestions. All deputies have put forward many constructive ideas for strengthening urban construction and management of capital; developing educational, cultural, and public health understandings; improving service attitude and raising service quality; ensuring vegetable supplies; developing agriculture in the suburban areas; improving the democratic and legal systems; exerting continued efforts in dealing blows to serious economic crimes and criminal offenses; and strengthening the building of spiritual civilization.

These ideas fully embody the concern, support, and wishes of the people throughout the municipality for the construction of the capital. These ideas will serve as a driving force for promoting all future work in Beijing and for realizing all objectives and task during the Seventh 5-Year Plan period. He expressed the hope that all deputies would continue to conscientiously supervise and examine all fields of work in Beijing in the future and give criticism and suggestions at any time.

The municipal People's Congress Standing Committee, all district and county People's Congress standing committees, and the people's governments at all levels should create conditions for the deputies to perform their duties and make things convenient for them, and conscientiously approach and properly handle the ideas and suggestions raised by deputies.

Comrade Li Ximing emphatically pointed out: The Seventh 5-Year Plan period is a crucial period for reforming the economic structure of our country. This is the first year for implementing the Seventh 5-Year Plan and doing this year's work successfully will be of vital importance. At present, the political and economic situations in Beijing Municipality are good. However, we should also realize that we still have to face many arduous tasks and difficulties. We should actively publicize and earnestly implement the guidelines of this session, uphold the correct orientation of reform, and continue to improve various reform measures.

On the premise of grasping the two civilizations simultaneously, we should give priority to prominently grasping spiritual civilization. We should also vigorously strengthen ideological and political work, further improve the system of holding the people's congresses and other democratic forums, be good at applying legal means to manage economic and other undertakings, continue to march along the path of the 4 directives and the 10 instructions of the central authorities, mobilize the people throughout the municipality, unite with them, display the spirit of the foolish old man who moved the mountain, work with one heart and one soul, pioneer our road to advance, and strive to build the capital of the great motherland into a better and more beautiful place.

In his speech, Comrade Li Ximing also said: The deputies thank Xue Guanghua, the former president of the municipal Higher People's Court, and Wang Zhenzhong, the former chief procurator of the municipal People's Procuratorate, for their contributions to building the legal system in the municipality during their terms of office.

Responsible persons of the municipal CPC Committee, the municipal Advisory Commission, the municipal government, the municipal Higher People's Court, and the municipal People's Procuratorate, as well as the responsible persons of various departments, commissions, offices, and bureaus; some general companies; and the various district and county People's Congress standing committees and governments attended the session as observers. Some NPC deputies elected from Beijing also attended the session as observers, among them being Dong Jianhua and Zhang Binggui, members of the NPC Standing Committee.

The congress session came to a successful end amid the magnificent playing of the national anthem.

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FISHING BOAT HELD IN PALAU; 2 CREWMEN KILLED

OW031451 Taipei CNA in English 1427 GMT 3 Jun 86

[Text] Taipei, June 3 (CNA) -- Two Chinese fishermen aboard a tuna trawler were killed by the Coast Guard of the Palau Islands when they were operating in waters near the islands in the middle of last month, according to a report by the Taiwan Provincial Fishery Department Tuesday. The fishing boat and the remaining crew members were still detained in the Palau Islands and their current situation are unknown so far.

Chen Tsai-fa, oceanic fishery section chief with Council of Agriculture said Tuesday that the Palau authorities did not inform the ROC [Republic of China] Government of the incident. According to international law, they should have provided the ROC Government info on the situation of the fishing boat and crew. A fishery cooperation agreement the ROC had signed with the Palau Islands expired in 1983 as many fishing companies here refused to pay US dollar 600 yearly for permission to catch fish in waters near Palau, Chen said.

TAIWAN SEEKS FISHERY PACTS WITH PACIFIC NATIONS

OW031459 Taipei CNA in English 1432 GMT 3 Jun 86

[Text] Taipei, June 3 (CNA) -- The Government of the Republic of China [ROC] is seeking to sign fishery cooperation agreements with the Palau Islands, the Philippines and Micronesia in the wake of a series of fishing disputes involving Chinese fishermen and foreign nations, the Council of Agriculture said Tuesday.

Domestic fishermen did not give their full support to the government efforts to set up the cooperation relations with the nations in the western Pacific because of the stagnancy the deep sea fishery industry has faced in the last several years, the Council said. However, after the recent incidents, such as Argentina's sinking of an ROC fishing boat, in which two fishermen were lost, the Council said fishermen here should change their view and cooperate with the government in seeking fishery cooperation with foreign countries.

OPPOSITION POLITICIANS POSTPONE MEETING WITH KMT

HK041012 Hong Kong AFP in English 1003 GMT 4 Jun 86

[Names as received]

[Text] Taipei, June 4 (AFP) -- A Taiwan opposition group said Wednesday it had postponed a scheduled gathering with the ruling Kuomintang (KMT) amid signs that recent reconciliation efforts were breaking down. The Tangwai Research Association for Public Policies (TRAPP) issued a statement Wednesday putting off a third reconciliation dinner with KMT representatives which was to be held Saturday. The move was intended as a protest against the conviction on libel charges of one of its members, according to the statement, which accused the KMT of manipulating the courts to keep lawyer and TRAPP member Chen Shui-pien from running for a seat in the Legislative Yuan (parliament) in November.

"We don't think it is the proper time to continue any talks," said TRAPP Chairman Yu Ching, who is also a member of the Control Yuan, Taiwan's highest watching body.

"The political conviction not only seriously impaired the exchange of views between the ruling party and the Tangwai but also affected political harmony," the TRAPP statement said.

KMT officials have denied any political interference in the libel case and reiterated their desire to continue discussions despite the soured atmosphere.

Mr Chen resigned his seat on Taipei's city council last year when a district court found him guilty of libelling philosophy professor Fung Hu-hsiung in his magazine by calling the professor a "cheat" and a "liar" and questioning the originality of Mr Fung's dissertation. Mr Fung is a member of the KMT. The high court Friday upheld the lower court conviction but commuted the prison term for Mr Chen from the previous one year to eight months.

At the first reconciliation dinner on May 10, the DMT unexpectedly agreed to allow TRAPP to open branch offices in Taiwan in a move described by observers as a breakthrough in the country's diplomatic development. Since then, seven TRAPP branches have been opened in cities around Taiwan.

However, two thorny issues remained unresolved after the first two meeting. The two sides failed to settle the question of whether TRAPP would have to register with the Interior Ministry as a civilian group and whether the word "Tangwai," which means "outside the (KMT) party," should be dropped from the opposition group's title.

Mr Chen and two other magazine members also convicted on the same libel charge have been protesting their verdicts with "farewell parties" which have attracted hundreds of people in major cities.

GOVERNMENT URGED TO REFUTE JAPAN HISTORY DISTORTIONS

OW030425 Taipei CNA in English 0248 GMT 3 Jun 86

[Text] Taipei, Jun 2 (CNA) -- The government Monday was urged to lodge protests with Japan by every possible means against its attempt to alter history by covering up its crimes in the "Rape of Nanking" during its World War II invasion of China. Legislator Lin Tung, in a written interpellation, pointed out that a recent CNA report from Tokyo said a newly written textbook on Japanese history was approved May 27 by the Japanese Ministry of Education. The book asserts that the factuality of the "Rape of Nanking" is still under investigation, he said quoting the report. The bloody, barbarous act has been recognized by the world, he said. Today, their efforts to cover up their crimes stem from aggressive Japanese ambitions to revive militarism in Japan, he noted. After Japan surrendered, the late President Chiang Kai-shek gave generous treatment to Japanese, hoping future generations of Japanese not to invade other countries militarily, the legislator said.

Today, 40 years after World War II, this attempt to rewrite the history books concerning the "Rape of Nanking" is indeed noteworthy, he cautioned. Lin suggested that the government adopt the following four steps: 1) Lodge strong protests to the Japanese authorities through the East Asian Relations Association; 2) compile the tragic facts about "Rape of Nanking" into textbooks of various schools here to tell Chinese students about the cruelty of the Japanese in World War II; 3) ask the Museum of National History to collect all materials about the tragedy and publish them and arrange for foreign libraries to carry them to throw light upon Japan's lie; and 4) build a war memorial hall soon to exhibit all pictures about the Japanese aggression against China.

HU YAOBANG ADVOCATES LESS IDLE TALK, MORE PRACTICAL WORK

HK040209 Hong Kong CHENG MING in Chinese No 104, 1 Jun 86 p 89

[Hu Yaobang's Speech to a Restricted Audience: "Too Much Idle Talk by CPC Organs"]

[Text] Comrade Deng Xiaoping proposed not long ago, less idle talk, more practical work. The vital weakness of the style of our cadre contingent lies exactly here. Especially in organs at the central and provincial levels, there has been too much idle talk! Too many cliches! Too many general calls! The ministers, bureaus, departments, sections of some organs at the central level are all speaking of "principle," and all the documents issued to those below seem to be all "central documents," and some provincial and city organs are again talking about "principle."

I often go down to the counties, and ask the comrades there questions of all sorts, and they say the matter was handled based on a "central document" and the spirit of the "Central Committee." When asked which spirit of the "Central Committee" they were referring to they would present me with some documents. When I looked at them, they were either some documents issued by some ministry, or bureau, or some organs under a certain bureau. Some of the documents were even issued many years ago!

Nowadays, mass meetings to "commend" the advanced are the rage, and everybody is awarded a medal. Some people go on selling phony medicine, but they get the medals all the same! Necessary victory meetings, meetings to commend the advanced, meetings to compare and to access merits, and exhibitions may be convened, but the issue now is that there are too many of them. Some are done superficially, going in for formalism, wasting money and manpower, when they all ask for inscriptions from leading cadres.

Comrades, we must refrain from practising such fraud! Just think, there is always a purpose in our work. We cannot waste our limited energy on endless idle talk, big words, and cliches. Before many young comrades were appointed to leading posts, they were engaged in investigation and research in earnest, now that they are in leading posts, they have been busy dealing with courtesy, and receiving or sending off guests. Will such a style work? Going in for superficiality, performing one's duty in a perfunctory manner simply to win the trust of the higher-ups, all this will not do! Comrades, if our comrades are treating the four modernizations in such a work style, the four modernizations will be hopeless!

Comrades at the central level working at the first front have been to many places in recent years. So have I, and I have been to some backward mountain areas, too. When I was there, some people were moved to tears. It does not mean that we have done a good job there when I mention this, it is just that we seldom go to those places. Comrades, there are more than 10,000 cadres working in central organs, the total number of cadres will be more than 400,000. If everyone of our cadres visit two villages or factories on an annual basis, that will be more than 800,000 villages or factories. If every cadre talks with 10 people on an annual basis, that will be more than 4 million people. You do not know how much it will help us understand the true situation through such visits and talks. However, not many comrades have gone down to grass-roots units; even if they have, the reports they made when they returned were rather dry, with a few insignificant points.

For example, first, the central authorities are required to give them special care; second, the mountain areas should be developed by adapting measures to local conditions; and third, it is necessary to consolidate cadres' style. All this has been written in central documents; is there any need for you to repeat them? The point is, you should help solve specific problems, and help the cadres make progress. Those cadres who are not competent should be removed by the masses and the organizations. This is practical work! If everybody is talking about "principles," they will become cliches in the end. Therefore, the most dangerous thing at present is cadres not going down to the grass-roots units, not going deep among the masses, not discovering and solving problems in a down-to-earth way.

Now we want to loudly appeal to you, and it is imperative that you change your style; at the same time. I am afraid we should have to adopt some measures. The central organs are now overstaffed, there are even more cadres than 2 years ago when streamlining began. I consulted Comrade Ziyang a few days ago, and asked if it is possible to send 50,000 people to those backward regions, enterprises, and villages. They should stay and help in the work there for 2 years. Those comrades who go to grass-roots units under this condition may maintain their urban residence registration and posts, and will be given annual leave.

Some of our high-level organs often shout slogans at the top of their voices, such as going all out to make the country strong, opening a path for advance; but in reality, are they going all out to make the country strong? Are they going in for socialist modernization full of vigor? In my mind, this is not the case with many localities and units! We must think of some measures to change such phenomena of indulging in idle talk but doing no practical work. If such an atmosphere is changed, our work in all respects will make a big step forward.

HU YAOBANG CRITICIZES PARTY MEMBERS BULLYING OTHERS

HK030427 Hong Kong CHENG MING in Chinese No 104, 1 Jun 86 p 97

["Reference Information" by Li Chi: "A Comment by Hu Yaobang"]

[Text] The following is a comment by Hu Yaobang, published for the first time, in the "Selected United Front Documents of the New Period" jointly compiled and edited by the CPC Central Committee's United Front Work Department and its Party Literature Research Center:

"It sometimes happens that some comrades in our party bully or ride roughshod over our friends outside the party. In the event that this has been discovered by higher authorities, they merely apologize. However, if this is never discovered, people have to swallow their anger. What should we do in the future? If problems have to be discovered by higher authorities, then this is rule by virtuous rulers, not rule by law. Shall we tell our friends outside the party that they can always resort to the laws?"

This is one of the comments made by Hu Yaobang in a report presented by the Central United Front Work Department. By now, have CPC cadres changed their attitude toward friends outside the party? I have so far not heard of one who has resorted to the laws.

MING PAO CITES GAO ZHANXIANG IDEAS ON LITERATURE, ART

HK021029 Hong Kong MING PAO in Chinese 2 Jun 86 p 3

["Special Report" from Shanghai: "Gao Zhanxiang on Literature and Art"]

[Text] According to Gao Zhanxiang, "No individual should make the final verdict whether the circulation of controversial works of literature and art should be stopped, nor should anybody act the 'judge', and leading members should not express their opinions rashly." He made this statement to a WENXUE BAO reporter after attending the "Shanghai Symposium on the Strategy for Cultural Development."

He explained: "This doesn't mean that leading members should keep silent, but they should exchange their ideas and views on an equal footing with writers and artists, as their friends, by way of discussion. This, I believe, will be more helpful in the shaping of a harmonious atmosphere."

This standing vice minister of culture acknowledged that a harmonious atmosphere is desired in the literature and art field. He says: "It is unavoidable that some controversial works of literature, and even some mistakes, have emerged in such a big country as ours. We should not become nervous whenever problems or disputes arise. Nor should we easily go in for censure and refutation as happened in the past. It is necessary to enlighten those who hold controversial views. We should not just overthrow them. In this way, harmony will be achieved."

Earlier, Gao Zhanxiang published an article entitled "The Art of 'Trimming' in Work Concerning Literature and Art." The reporter asked him about the relation between "trimming" and "mediating," and he said: "In a certain sense, 'trimming' means 'mediating.' Practice all through the years has proved that regarding some problems emerging in the literature and art field, neither 'regulation by force,' nor 'regulation through empty talk' would work, when 'arbitrary regulation' would turn things topsy-turvy; only 'trimming' has been most effective. When some problems emerge in our work, we should refrain from the style of a tempestuous storm, but adopt the style of a mild breeze and a drizzle. It is necessary to correct the deviation in our work and to give guidance to its action, under the premise that no injuries are inflicted on it, in order to ensure its healthy growth." This he said from the angle of a leading member.

Concerning the literature and art circles themselves, Gao Zhanxiang believes that "things not harmonious enough often occurred between people in the literature and art circles as well as human relations. They reproach each other and get entangled with each other. They are not engaged in a 'dragon boat match,' in which one is catching up with the other, but a 'tug-of-war' in which both sides are offsetting their strength. How can a harmonious atmosphere come into being under such circumstances? Different opinions are unavoidable between people; however, we should not become prejudiced. The unity inside the literature and art circles is the most important, and of universal significance to the shaping of a harmonious atmosphere. Of course, there is also the harmony between writers, artists, and readers and audience to think of."

Therefore, Gao Zhanxiang stressed: In order to create a harmonious atmosphere in the literature and art circles, "it is necessary to rely on the stability of the party policy on literature and art, the continuity of the 'double-hundred' policy, and the self-respect of writers and artists."

Gao Zhanxiang is preparing to write an article entitled "Reflections on Things To Be Guarded Against."

He says: "The application of a complicated solution to a simple problem will make things complicated. But if an oversimplified solution is applied to a complicated problem, such as 'requiring unanimity in everything,' the problem will not only remain unresolved but will become more complicated. The article 'Reflections on Things To Be Guarded Against' tries to deal with this question. To my mind, there are 10 points to be guarded against in grasping work concerning literature and art: In guiding ideas, we should guard against 'requiring unanimity in everything'; in leadership style, we should guard against the practice of 'one person alone has the say'; in administrative means, we must guard against 'predomination'; regarding dealing with people and things, we should guard against 'prejudices'; concerning talents in literature and art, we should guard against 'requiring them completeness'; in viewing the situation, we should guard against 'one-sidedness'; in literature creation and criticism, we should guard against 'rushing headlong into action'; regarding controversial works, we should guard against 'making the final say'; regarding those who have made some mistakes when blazing new trails, we should guard against 'knocking them down with big sticks'; and all literature and art units should guard against 'the state of disunity'."

PRC MINISTERS' SONS REPORTEDLY SENTENCED TO PRISON

HK030431 Hong Kong CHENG MING in Chinese No 104, 1 Jun 86 p 97

["Reference Information" By Hung Yung: "Two Sons of Two Ministers Sentenced to 15 Years' Imprisonment"]

[Text] News about the crimes committed by "children of influential families and their associates" is frequently heard these days. Two sons of two ministers have been convicted and sentenced to imprisonment.

He Jing "x" (0149 0079 "x"), son of He Ying, a vice foreign minister, has been sentenced to 15 years' imprisonment for gangster activities and rape. It is said that he was also accused of divulging state secrets to foreign embassies. A son of a certain ex-minister of agriculture surnamed Huo [7202] has been sentenced to life imprisonment for killing another person. His sentence was later shortened to 15 years' imprisonment.

The accuracy of these two piece of news and when all this happened have yet to be investigated and determined.

DIVISION APPEARS IN RANKS OF HONG KONG BASIC LAW GROUP

HK040400 Hong Kong SOUTH CHINA MORNING POST in English 4 Jun 85 p 1

[Text] A major split emerged last night in the ranks of the Basic Law Consultative Committee members. Dissidents in the 180-member body say the group's methods simply do not work. Seventeen members have come out into the open with a letter of protest urging the group's executive committee to undertake a penetrating review of the way the group is supposed to operate. The consultative group is not reflecting public opinion accurately, according to the dissidents. One of the innovations the 17 signatories want to see is a territory-wide opinion survey after the consultative committee releases its first report in September next year. And they also want sub-group meetings to be held in public so that people can express their views directly to the opinion-gatherers. One of the 17 members, who wished not to be named, said last night they were generally dissatisfied that the present procedures would not truly reflect the public's views.

PRC AUTHORITY OVER HONG KONG AFTER 1997 OUTLINED

HK040358 Hong Kong SOUTH CHINA MORNING POST in English 4 Jun 86 p 1

[Text] After 1997 Hong Kong will be under the "direct authority" of the National People's Congress (NPC), the State Council and the Central Military Commission, which is the highest authority for national defence in China. This was revealed by the deputy director of the Hong Kong and Macao Affairs Office at the State Council, Mr Li Hou, who gave a sketchy outline of the possible relationship between Hong Kong and Beijing in Shenzhen on Monday.

The session of the Basic Law Drafting Committee in Beijing in April agreed on a proposal that the SAR [Special Administrative Region] government would exercise a high degree of autonomy through power delegation by the NPC.

This followed anxiety expressed by some Hong Kong members over the original proposal, which suggested that the SAR should be led by the central government in its administration of the territory.

Analysts believe that China's intention to place Hong Kong's future defence under the Central Military Commission is designed to obviate any possibility of interference with the SAR's defence affairs by regional commands, since the commission is the highest authority in military affairs in China.

On the question of Hong Kong's foreign affairs, it is understood that suggestions from certain Hong Kong Basic Law drafting members have been put to China for a more clearly defined relationship between the SAR and the State Council.

While Hong Kong will, as indicated by Chinese leaders earlier, not come under the Hong Kong and Macao Affairs Office or any other ministry of the State Council, one suggestion is that Hong Kong's operational relationship should be conducted through the Foreign Affairs Ministry of the State Council. The reason is that the SAR foreign affairs and defence will be the responsibility of the central government.

Since the Central Military Commission will be responsible for Hong Kong's defence, there should be a body such as the Foreign Affairs Ministry to help conduct the territory's foreign affairs. The operational relationship -- when confined to that between the SAR and the Foreign Affairs Ministry -- will help reduce any possible direct interference in the internal running of the territory by other central departments, one well-informed source commented.

Under China's constitution, Hong Kong will be a special administrative region directly under the control of the State Council. As such it will enjoy the same status as Beijing, Shanghai and Tianjin as well as all the provinces and the autonomous regions. In other words, it will not come under the control of neighbouring Guangdong Province.

Li Hou Discusses Party Politics

HK030340 Hong Kong SOUTH CHINA MORNING POST in English 3 Jun 86 p 14

[By Stanley Leung and C.K. Lau]

[Text] A senior Chinese official yesterday did not rule out the possibility of the Chinese Communist Party actively campaigning in Hong Kong after 1997 if party politics are permitted.

The sensitive issue of Communist Party activities after 1997 was touched on by the vice-director of the Hong Kong and Macao Affairs Office, Mr Li Hou, at a press briefing following the two-day Basic Law Drafting Committee [BLDC] sub-group meeting in Shenzhen. Mr Li, a member of the sub-group, discussed a wide range of subjects in his one-hour meeting with the press, including Communist Party activities in Hong Kong, the BLDC's work and the status of the Hong Kong and Macao Affairs Office.

Mr Li admitted that the party -- and Taiwan's ruling Kuomintang -- had long been active in Hong Kong, but added that "members would not act (openly) in the name of the parties." He thought the activities of party members should not be conducted in the name of the Communist Party after 1997, as that might mean allowing other groups, such as the Kuomintang, to also operate here. One condition should be that members were not permitted to stand for election in the name of party.

Mr Li added, however, that it would be a different matter if the territory introduced party politics after 1997. "If other political parties have already been set up, then I can't say whether the Chinese Communist Party members would act openly or not," he said.

Mr Li said the issue of whether political parties, and the Communist Party in particular, could be permitted, should not be covered in the Basic Law. Any policy of prohibiting the activities of political parties should be controlled by the Special Administrative Region government.

He said there was a possibility that the drafting committee sub-group on political structure might touch on the issue of party politics while it was working on a post-1997 political system. Mr Li said he did not know the current number of Chinese Communist Party members in Hong Kong.

It is the first time a senior Chinese official who is also a party member has gone into detail about Communist Party activities after 1997. Mr Li declined to say whether the Hong Kong and Macao Affairs Office would still exist after 1997. However, he believed there should be a Beijing-delegated office to deal with foreign affairs matters in Hong Kong. He was not sure whether national defence would also be covered by this office.

Turnin to the drafting committee, of which he is secretary-general, Mr. Li disclosed that the mainland members of the sub-group on the post-1997 Beijing-SAR [Special Administrative Region] relationship would visit Hong Kong in July to study the issue.

China's members on the four other sub-groups... political structure, the economy, education and inhabitants' rights -- are scheduled to come here later this year. The main purpose of the visits is to discuss specific Basic Law issues with the Basic Law Consultative Committee members. Mr Li thought it inappropriate for consultative committee members to attend meetings of drafters' sub-groups.

Commenting on reports that the English-language press might be permitted to operate more freely than the Chinese media after 1997, Mr Li said that the English and Chinese press would be given the same treatment.

Meanwhile, in a reference to Mr Li's remark regarding party politics, Executive Councillor Mr Allen Lee said Hong Kong's success could be attributed to its having a representative government with every profession present in the Legislative Council.

He thought it essential to guard against one-party rule, which would be detrimental to Hong Kong. Mr Lee was speaking after officiating at the inauguration of the City Polytechnic of Hong Kong Students' Union.

In another development, drafting committee sub-group member Mr Martin Lee said in Shenzhen that the suggested status of the SAR chief executive was brought up at a sub-group meeting by a Hong Kong member. The member had suggested that the SAR chief should be promoted to the post of state councillor or vice-premier in the Chinese hierarchy after 1997. Senior mainland officials on the sub-group responded that the SAR chief would only be equivalent to the rank of a provincial governor in China. They doubted whether the SAR head should be given any privileges, as the heads of provinces in China were not necessarily state councillors or vice-premiers.

Li Hou Statements Draw Comments

HK040354 Hong Kong SOUTH CHINA MORNING POST in English 4 Jun 86 p 1

["Comment" by Michael Chugani: "A Glimpse of Li's Iron Fist"]

[Text] When the opportunity arose two days ago for Mr Li Hou to press a point home to the Hong Kong public, he saw no need for subtle niceties. If you're foolish enough to try something funny like calling out David, we'll summon Goliath. It was a menacing message delivered with a warm smile.

Mr Li knows only too well that Hong Kong harbours no illusions that when it comes to a political tangle with China, a home-grown David, sling and all, is no match for the communist Goliath. As the vice-director of the Hong Kong and Macao Affairs Office, Mr Li is a highly-placed Beijing official whose words should not be taken lightly. Which means when he threatened two days ago to unleash the Communist Party if political aspirants in Hong Kong became too ambitious, he meant it.

Mr Li's warning was this: Beijing will prevent the Chinese Communist Party from actively campaigning in Hong Kong after 1997. But if Hong Kong is foolish enough to demand political parties here, then Beijing will have no alternative but to allow the Communist Party free rein as well.

What he didn't say, although the implication was loud and clear, was that pitted against the mighty CPC, and fledgling local party would be clobbered. Would Hong Kong want that?

Since the signing of the 1997 agreement China has dropped carefully-timed hints that it is against Western-style politics, especially the party system, being allowed to take root in Hong Kong. Although Beijing is committed to having Hong Kong people run Hong Kong, the message is that there are strings attached to this display of benevolence by a communist regime. What China does not want is a Westminster-type political structure which puts total power in the hands of the people through political parties rather than in the hands of the bureaucrats.

To make sure there is no real competition in the Hong Kong political arena after 1997 that could even scratch the dominance of the Communist Party, Mr Li chose to shake the iron fist, the first of what may well turn out to be a series of shakes.

To be sure, political realists in Hong Kong like Executive and Legislative Councillor Mr Allen Lee saw this coming months ago and hurriedly snuffed out an ambitious scheme to set up a heavyweight political party which he hoped would derive power through its domination of the legislature. "Without Beijing's blessing no political party will ever get into power and administer Hong Kong after 1997," he later conceded.

Editorial Cautions Politics Approach

HK040352 Hong Kong SOUTH CHINA MORNING POST in English 4 Jun 86 p 2

[Editorial: "Caution the Key to Party Politics"]

[Text] Subtly, the Deputy Director of the Hong Kong and Macao Affairs Office, Mr Li Hou, has driven home a message from Shenzhen: Hong Kong could be playing with fire if party politics were allowed to develop in the future Special Administrative Region [SAR]. Mr Li's comments logically follow those from the director of the Hong Kong office of the NEW CHINA NEWS AGENCY, Mr Xu Jiatur, who said on Sunday that the future chief executive of the SAR may not be a card-carrying member of the Chinese Communist Party.

Those who originally put the question to Mr Xu were seeking clarification of whether China would want a predominantly administrative role in Hong Kong through the appointment of a chief executive belonging to the mainland's ruling party. It seems that Mr Xu's answer is a resounding "no."

The following day, Mr Li made it clear the situation could be different if party politics were allowed to develop. He came very close to admitting that both the Communist Party and the Chinese Nationalist Party (Kuomintang), whose base is in Taiwan, would hardly stand by idly if such a situation arose.

This is the first time that China has set down a clear line on party politics. Hong Kong must realise that politics could never develop here on traditional Western party lines by excluding the Communist Party. It would be naive in the extreme to think that the National People's Congress would adopt a Basic Law which allowed political parties -- but not its own -- to exist in Hong Kong. And which local party could stand against the might of the Chinese Communist Party?

The course towards Westminster-style politics would mean an open invitation for politicking of a potentially destructive kind, in the sense that struggles for the seat of government with the certain (and only) winner being the Communist Party could extinguish the spirit of the Joint Declaration, which calls for Hong Kong people ruling Hong Kong.

Moreover, any efforts to swamp the political scene and alter its direction through sheer weight of mobilised masses could undermine other fundamental tenets of the Sino-British agreement: the preservation of stability, prosperity, freedoms and lifestyle. Those who espouse the cause of party government should be admired for their direct and broadminded approach to representative politics. But they would be wise to consider whether such politicking would serve exclusively Hong Kong interests.

The question of party politics will come under increasing scrutiny as Hong Kong searches for a model for its future administration. But all alternatives must be weighed carefully before a final decision is made. If politics are opened up to all comers after years of virtually no politics at all, it would be difficult if not impossible to reverse the trend. This great city will be a different place if all the major questions to face it in the future are answered purely from the perspectives, and interests, of the local cadres of the Chinese Communist Party.

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